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Cuba

Reaction to U.S. Plan on Region's Foreign Debt

Commentary on 'Baker Plan II'

FL1303141089 Havana Tele-Rebelde Network
in Spanish 1200 GMT 13 Mar 89

[Commentary by Roberto Alvarez Quinones during
"Revista de la Manana" program]

[Text] After several weeks of waiting, U.S. Treasury Secretary Nicholas Brady presented on Friday the new strategy the Bush administration will use to deal with the foreign debt of Latin America and the Third World in general.

The program has been given the name Baker Plan II. This is important; it is not just a coincidence. This name is important because the name Baker II, instead of Brady Plan as many people expected, shows that it is the same thing as the Baker Plan except with modifications. This, also, is not a surprise because U.S. Secretary of State James Baker said on 21 February that the United States was preparing a strategy that would maintain, as a basis, the fundamental principles of the Baker Plan. This is a plan that bears his last name. The plan was initiated in 1985 and has failed.

The difference between Baker Plan II and the original Baker Plan is that on this occasion there is an emphasis on something that had never been done before, the reduction of the accumulation of the debt. For the first time, the United States has acknowledged that the foreign debt must be reduced. They admit that the entire debt is not payable; it must be reduced.

How will it be reduced? Well, Baker says there are two ways of reducing the foreign debt. The banks can voluntarily reduce part of what the debtor countries, in this case the Latin American countries, owe them, and also give them the resources, by part of the IMF [passage indistinct].

This plan is not so new because [words indistinct] by what these countries owe them, by turning part of their profits into reserves to face the possibility of nonpayment.

This way, they have [words indistinct] from their accounts, these pending accounts. Therefore, the banks only have to notify the debtors [words indistinct]. On the other hand, it deals with voluntary reduction which means that they may refuse to do it. Also, this is not applicable to all countries, but those that are chosen and have agreed to adjust their economy with the IMF.

There is nothing new in this sense. The only new thing is that the United States is saying that the foreign debt has to be reduced; this is new. How to reduce the foreign debt, as we see it, is very difficult to do under these circumstances because it is voluntary.

In the case of Mexico, for example, Mexico has to reduce its debt, annually, by \$5 billion to actually help the debt. With this program, they will not even reach \$1 billion. So really, this plan does not solve anything.

However, even though this does not solve the problem, it is a sign that the United States is moving from their previous stance that funds were given only to countries that renegotiate and to [words indistinct] their microeconomies. [Words indistinct] so that they can reduce their own debts.

We have to state, before all, that the banks have to be [words indistinct] the banks have to be convinced to [words indistinct].

Definitely, Baker Plan II is much better than Baker Plan I, but it is not as big a thing as was expected or needed by the Third World to solve the problem. This is what we wanted to say: it is a step forward, but it stays, not even half way, less than half way to the solution.

Andres Perez Comments

FL1303145689 Havana Tele-Rebelde Network
in Spanish 1236 GMT 13 Mar 89

[From "Hot Off the Press" section of "Morning Magazine" by Daniel Torres]

[Text] Venezuelan President Carlos Andres Perez made new statements this morning on the social explosion that deeply shook the country, leaving a dramatic balance of 300 dead and close to 2,000 injured. Perez said at the Group of Eight meeting being held in Caracas, Venezuela, that the IMF and, even worse, the Latin American foreign debt was definitely responsible for all political destabilization the continent is facing, especially Venezuela.

Although this is not new, Carlos Andres Perez dotted the i's and crossed the t's immediately after this obvious social explosion took place in Venezuela following economic adjustments carried out with the offensive requirements of the IMF [corrects himself] or because of the IMF's offensive requirements against a truly troubled economy in Venezuela. This affected the poorest sectors of the population; this caused the social explosion. The subject is occupying important places in the news inasmuch as a loud campaign continues in the United States on an alleged plan of the U.S. administration to deal with the foreign debt problem. I say an alleged plan because Mr Nicholas Brady, who is the current secretary of the treasury, has given a number of interviews—has stated in U.S. television and radio—on his views regarding a possible U.S. economic policy to attempt to somewhat reduce the foreign debt.

However, this proposal does not stop being an absolutely idealistic position on the part of the current U.S. secretary of the treasury, and it is really a copy of the Baker Plan, which was a failed, completely unsuccessful plan. Its author was precisely his predecessor. The Baker Plan was uneventful.

One of the new elements, or supposedly new, of this Brady Plan is the appeal to private bankers to reduce the debt of underdeveloped countries, especially Latin American countries. No formulas or guidelines were given for them to make these cuts. They would make them at their own initiative, as if it were an act of charity toward Third World countries. That is, all is left in the hands of bankers. Supposedly, it would be up to the bankers to make the cuts. This is the only new—and I believe very idealistic—thing this Brady Plan really has, which at this time is being highlighted by the U.S. news.

Nevertheless, it calls my attention to the fact that White House Spokesman Marlin Fitzwater this morning denied that this plan has been approved by the U.S. President and that Mr Bush didn't know the details of this plan. That is, Brady has two dreams. First, he is dreaming about the possibility of having the bankers themselves give up their own money and, second, he is truly very optimistic of a plan that not even the U.S. President knows about. Therefore, it doesn't have presidential authorization.

However, in the middle of this fantasy of the new U.S. treasury secretary, there are figures and situations in Latin America that go beyond any type of rearrangement. The truth of the matter is my friends, that according to a report issued by the Economic Commission for Latin America this morning, out of 400 million people who live on this subcontinent, over 170 [corrects himself] or 160 to be exact, are living in the most absolute poverty. Out of 400 million, 160 are living in the most absolute poverty [repeats]. Another figure released by the United Nations also this morning is that between 1982 and today, Latin America has transferred to the United States \$150 billion in interest toward the foreign debt. This is over 40 percent of the wealth the subcontinent produced. These are real figures, concrete situations, and are very dramatic realities which do not form part of Mr Brady's fantasy.

The Latin American foreign debt is growing like a snowball and Latin American countries are coming out of their economic situation in a way that really causes the concern of observers and specialists.

I was trying to remember the exact Latin American foreign debt figure. It is \$420 billion and it keeps growing. I will give you another piece of information to give you some data that reflects the situation of our America—without counting the amount of unemployment—the amount of people who do not have sound resources to deal with life. I am thinking about a report

UNICEF released. It says that 14 million children are going to die on this continent before the end of the century because they have absolutely no resources due to the foreign debt.

These are realities that escape ideals, fantasy, charitable spirit of international bankers. I believe that even if the U.S. President knew about it, even if the new U.S. administration approved it, the Brady Plan on the foreign debt is an absolutely cosmetic plan. It is not going to solve anything. It is going to be of little use. It is the same dog with a different collar, the Baker Plan, which failed on its own right.

Ecuadoran Official Reacts

*FL1303155189 Havana Radio Reloj Network
in Spanish 1505 GMT 13 Mar 89*

[Text] The president of the Andean Parliament, Wilfredo Lucero, said in Quito, Ecuador that the Baker Plan—presented by the then U.S. Treasury secretary to solve the foreign debt crisis—has had no significant repercussion.

In an interview with PRENSA LATINA just hours after having assumed his position, Lucero, who is also president of the Ecuadoran Congress, stressed the importance that the subject of the foreign debt will have during the seventh session of the regional organization.

Lucero added that the objective of the Andean Parliament is to create an awareness in the debtor and creditor countries that each country cannot be sacrificed or taken to slaughter. He also said that he did not believe that the reactivation of the Baker Plan by the United States could help to alleviate the regional situation caused by the foreign debt.

Plan 'Does Not Solve Problem'

*FL1303185589 Havana Radio Rebelde Network
in Spanish 1800 GMT 13 Mar 89*

[Station commentary]

[Text] Venezuela's social disturbances apparently introduced a new urgency factor in the Third World's foreign debt problem. The United States did not lose time and launched what it calls new strategy for the payment of the debt, perhaps looking for a coup d'theatre. But, what does this new strategy really consist of?

For Nicholas Brady, secretary of the U.S. treasury and author of the plan, the key to the process could not be simpler. It would be limited to a voluntary negotiation between debtors and creditors on a case-by-case basis in order to reduce the volume of the debt, its service, and the provision for new loans. Of course, Brady did not specify how this would be put into practice or the amounts that would be involved.

The plan has already raised serious suspicions. While for some it does not represent any progress, for others, the proposal ties the future of the indebted nations to the goodwill of banks. In general, specialists warn against false expectations and ask to not be overcome by joy. The more optimistic ones do not go beyond saying that at least the U.S. proposal rejects the resource of solving the problem through more indebtedness.

The truth of the matter is that, although only its basic lines have been outlined, the Brady Plan is one of the worst deceptions ever conceived against Third World countries in the latest times. This plan, at most, would only take indebted countries into a vicious cycle and perhaps prevent a chain reaction of declaration of stop payments because of insolvency.

The U.S. thesis, which replaces the failed Baker Plan, only constitutes a change in accent and does not solve the problem. So far, we have seen plans, summits, statements, and ingenious schemes but not solutions. Surely, we will not see them. Let's hope we are mistaken although we are afraid we are not.

One cannot go against the grain of reality. The reduction of the debt, even the total condonation of the debt, cannot solve that drama today. A new international economic order needs to be established in addition to condonation. A new type of relations between wealthy and poor countries needs to be set. Time is making this evident. There is no other way out.

Castro Comments on Results of UNHRC Meeting
*FL1303144189 Havana Radio Progreso Network
in Spanish 1200 GMT 13 Mar 89*

[Text] Commander in Chief Fidel Castro said that in Geneva there was a struggle between the best and the worst. The best won and will have to continue winning. This is how Fidel commented on the results of the 45th Session of the UN Human Rights Commission which recently ended in that city.

The leader of the Cuban Revolution made his statements during a meeting with the press in Pinar del Rio Sunday morning. Castro also said that presently, nowhere else in the world is so much done for man and that this is the undeniable truth.

He also stated that Cuba's work for man's welfare is seen, not only on the island, but outside as well. The Cuban president said that the nation has dozens of doctors abroad and students with scholarships from over 80 countries. Castro added that Cuba is the country that has the most foreign students with scholarships per capita and that these are truths understood by other countries, despite yankee propaganda.

Later, Castro said that Cuba has been the first country to have a treatment for people who have over 50 percent of their skin burned. He also said that Cuba has been the

first country to have a system to detect congenital defects in children before they are born. The commander in chief said that this system will aid over 20,000 children per year.

He explained that our country is also a pioneer in nervous system transplants and treatment. Later Castro said: It is ridiculous that the country who wants to malign these truths is the country who is the father of hunger in the world, the father of underdevelopment, exploitation, discrimination, and inequality. The false accusations against Cuba, said Castro, show the rage and frustration those truths cause. He stressed that it is a matter of a struggle between the nation that causes the most damage to the world and the one that does the most for its people.

Finally, he said that despite the pressures and blackmail by the United States, the support Cuba received in Geneva was great and that Latin America's position in Geneva was, fundamentally, firm.

Roa Praises Regional 'Unity'
*FL1303230989 Havana Radio Reloj Network
in Spanish 1618 GMT 13 Mar 89*

[Text] The importance of Latin American unity, especially that of the four countries which cosponsored the draft resolution on Cuba that was approved at the human rights meeting in Geneva, was stressed by Raul Roa Kouri, head of the Cuban delegation to that meeting.

Moments after his return to the fatherland, the vice minister of foreign affairs said that those countries confronted the United States with their unified attitude and—along with other countries which abstained, especially Brazil—firmly cooperated in the search for a consensus resolution. Roa Kouri said that the other two Latin American countries which abstained had previously told him of their intent and he understood that their situation was difficult because of the pressure their governments were facing. The head of the Cuban delegation to the Geneva meeting stressed that, nevertheless, those nations supported the Latin American group at all times.

While speaking to the press upon his return to our country, Roa Kouri referred to the British representative's hoax to get his amendment voted upon first. His amendment compared Cuba to such regimes as the one in Chile. The vice foreign minister said that the most difficult moment at the meeting was when the delegate from Great Britain asked that the vote be postponed on the existing draft resolutions.

There were two documents, said Roa Kouri. One was from the United States; it was cosponsored by the United Kingdom, Morocco, Canada, and the Netherlands. The other one was the Latin American document, he added.

A postponement would have given the United States more time to exert pressure, to blackmail—in short, to reinforce the policy they had been developing in Geneva, Roa Kouri said.

Media React to U.S. 'Defeat'

PA1303134089 Havana International Service
in Spanish 0100 GMT 12 Mar 89

[Report by special correspondent Pedro Martinez Pirez from Geneva]

[Text] This is my final report from Geneva, where I covered the 45th session of the UN Human Rights Commission, which ended yesterday. The shameful defeat inflicted by Cuba on the United States is still being discussed here, despite the fact that there are 16,155 meetings of international organizations in this 200-year-old Swiss city every year. Newspapers, radio and television stations that usually do not report on these meetings have commented on the U.S. defeat and have said that the facts have not been exaggerated. These meetings, incidentally, bring more than 173,000 international delegates and experts to this small city every year.

Last night the Cuban delegation celebrated the victory over U.S. aggression—a diplomatic aggression that has been waged against the Human Rights Commission since 1987. During the event, I was able to talk to the Mexican, Colombian, Panamanian, and Peruvian representatives. These four Latin American countries jointly sponsored the resolution that was approved by the 43 members of the Human Rights Commission, or to be more exact, by 32 members, because I voted against the resolution and 10 abstained.

(Claude Helene) from Mexico, Rafael Rivas Posada from Colombia, Oscar Ceville from Panama, and Manuel Rodriguez from Peru told Radio Havana Cuba that they were satisfied with the results of the discussions on topic 11, which deals with the report of the commission that traveled to Cuba in September 1988.

(Claude Helene), who has been a diplomat in Geneva for a long time, stated that it is important that the Human Rights Commission not be used to take sides on bilateral matters, that the commission's work not be politicized, and that this UN organization truly work on matters of urgent international concern, such as flagrant and massive human rights violations; Cuba, of course, is not involved in these [human rights violations].

Colombian diplomat Rafael Rivas Posada, who was part of the delegation that traveled to Cuba in September 1988, stated that the results of the 45th session were very satisfactory, not only because of the Cuban emphasis, but, more importantly, because of the results of talks on development and the foreign debt. The Colombian diplomat regarded as a great victory for Latin America the approval attained for the resolution it had submitted.

The resolution proposed that a country's right to development and the negative repercussions of the foreign debt on human rights be included as topics for discussion at the next period of sessions to be held in Geneva in 1990. Rivas Posada added that he was satisfied with the voting results and the victory attained by Cuba, for it also represented a victory for international rights.

Panamanian Oscar Ceville was very emotional when he said that Panama truly felt insulted with the attempt to docket the Cuban agenda here in Geneva. He said that Panama was and always will be supportive of the Cuban Revolution because it [Panama] is aware of U.S. intentions against Cuba—the same attitude toward Panama itself, Nicaragua, and other Latin American countries.

Peruvian Manuel Rodriguez also congratulated Cuba and said he was pleased because justice and truth had prevailed. He added that the resolution, approved by a wide margin, had confirmed that a small Latin American country's rights could not be trampled upon in Geneva in the name of wealth, money, and power. At this time, no Latin American or Third World country can allow any world power to blackmail them, asserted Rodriguez.

In other words, the cosponsors of the resolution that triumphed on 9 March and that inflicted a shameful defeat on the United States believe that they have done their duty by standing beside Cuba in this battle of David against Goliath in which truth has been victorious.

Delegation Returns From Geneva

FL1303161489 Havana Radio Reloj Network
in Spanish 1503 GMT 13 Mar 89

[Text] After being direct participants in the large third defeat of the United States' attempts to condemn Cuba at the UN Human Rights Commission [UNHRC], the delegates to the historical Geneva meeting are back in the fatherland.

The delegation headed by Vice Foreign Minister Raul Roa Kouri arrived in Havana early this morning and was received by First Vice Foreign Minister Jose Raul Viera and Communist Party of Cuba Central Committee member Jesus Montane.

Almost at the end of last week with 32 votes in favor and only Morocco against, the UNHRC approved a Latin American proposal that supports Cuba's position.

The decision, besides being the United States' third defeat, shows that Washington, because of its persistent attack against our country, will now have to look for new pretexts in its maneuvers against Cuba.

Panamanian President on Human Rights in Cuba
*FL1303220389 Havana Radio Reloj Network
in Spanish 1602 GMT 13 Mar 89*

[Text] President Manuel Solis Palma has affirmed that Panama feels that human rights are not violated in Cuba. The United States only accuses those countries that do not submit to its international policy, he said. Solis Palma was referring to the failed U.S. attempt to condemn Cuba at the UN Human Rights Commission in Geneva where Panama and three other Latin American countries promoted the final resolution on this topic.

The Panamanian head of state said that regarding human rights, the United States considers whether the governments are allied or opposed to the White House position.

Manuel Solis Palma said that Panama, as a sovereign country, will maintain a consistent position, despite pressure from the U.S. Government in that regard.

Castro Tours Pinar del Rio Province Centers
*FL1303155389 Havana Tele-Rebelde Network
in Spanish 1200 GMT 13 Mar 89*

[Text] Commander in Chief Fidel Castro Ruz toured Pinar del Rio Province last Saturday [11 March]. He went to several production, social, and health centers, among others.

Fidel praised the application of science and technology in rice harvesting in the westernmost province of the country. This will double yields and save almost half of the amount of water. Touring several Pinar del Rio areas, the chief of the revolution gave special attention to the terraces being built in the rice fields. This method will allow total mechanization of irrigation systems and will make the work of farmers more humane.

He explained that some 300 hectares with 1 million cubic meters of soil are being worked on at this time. Some 130 million need to be moved. First, the organic layer is removed; then the clay is leveled; and later, the organic layer is put back. This will result in a gigantic field from Havana and Pinar del Rio. Rice harvesting is rotated with tomatoes and beans.

Fidel also visited the provincial capital's multiple-use building that is about to be completed. It has room for 3,000 spectators and 16 sport disciplines can be practiced simultaneously.

Praises Work; Talks to Press

*FL1303191289 Havana Tele-Rebelde Network
in Spanish 1249 GMT 13 Mar 89*

[Text] Our Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee and president of the Councils of State and

Ministers, visited Pinar del Rio Province this Saturday. At the end of the tour, the leader of the revolution praised the work being performed in the province and talked to the press.

[Begin recording] [Castro] So, it was not a visit to Pinar del Rio but a promenade through Pinar del Rio. Since we finished touring the work being done in the rice fields early, I said: Let's see how the road is coming along. I got enthused and then I continued on to La Coloma to see how the work there was coming along. We then went to Guama and later to the multiple-use building. All this was not planned. He [not further identified] did not know about my plans; he called you, but he didn't tell me anything. I heard you were around here after we came back from the multiple-use building.

[Unidentified reporter] [Question indistinct]

[Castro] Well, I met with construction workers there and asked them about the project. I asked them how it is different from the one in Las Tunas. I was told that the lattice work system [estereo celosia] was used in Las Tunas, similar to the one used in Expocuba. The chief of the enterprise who is heading the brigade that is building the multiple-use facility says this one is much prettier and of better quality than the one used with lattice work but, of course, it is more expensive. I have a very good impression of the installation. It is very pretty.

[Reporter] [Words indistinct] a gymnasium-like atmosphere was created.

[Castro] Yes.

[Reporter] That was created and it is very important for competitions.

[Castro] Yes, basically, it is a great building. I imagine that the people from Pinar del Rio are happy that it was completed fast—that it was completed fast and not that it was built fast.

[Reporter] Commander, your impression about....

[Castro, interrupting] They say it was called the cemetery of the [word indistinct] crosses.

[Reporter] Your impression about the work being carried out in La Coloma.

[Castro] Very good, very good [repeats]. I believe La Coloma is going to be turned into a tourist town in some 4 or 5 years. Las Canas is being developed together with La Coloma. Las Canas is going to be a good place when the dikes are built and what needs to be filled is filled because that area is infested with mosquitos. It is not going to be a Varadero. The beaches where I used to swim in Mayari, in the Nipe Bay, when I was an adolescent, a student, did not resemble this one. This one is 10 times better than that one, although it is not a

Varadero. I believe that when some of those areas are filled and when the appropriate installations are built, Pinar del Rio City will have a great beach nearby.

The ones who moved to Las Canas at one time are going to move to La Coloma because they were promised houses to La Coloma. We are going to have a lot of space there for a good recreational installation for Pinar del Rio. A good, although small, brigade is working there. They had three dump trucks and we gave them three more. A lot of land needs to be moved there.

[Reporter] [Question indistinct]

[Castro] The brigade members are also building the sidewalks. They are filling and draining the area. There is no sewage there; there is no aqueduct. Everything needs to be built there. All kinds draining activities need to be performed there. They have to look for solutions to all of their problems. A dike needs to be built to protect the area from flooding. Not only Pinar del Rio but also La Coloma is going to be protected by the Guama Dam. There will be no more flooding in Pinar del Rio. We will no longer see the spectacle of a cow on the second story of a hotel. Flooding will not take place here any longer. This will stop flooding. It will also protect La Coloma.

Undoubtedly, La Coloma is a town that produces a lot for the country. La Coloma produces tens of million of dollars in foreign exchange. Life conditions were not in line with the contribution they are making to the country. I noticed this with the situation that was created by the hurricane.

I saw that the highway is at a very advanced stage. They were planning to complete it by May 1990 and I believe they are going to finish sooner.

All that area is almost filled. They will finish soon. Then, part of the brigade will remain to build the overpasses, the connecting roads, and the other members of the brigade will build two-way tracks toward Guanajai. They are already working on the two-way railroad tracks from Havana to here—two-way tracks [repeats].

So, the province will have not only the four-lane highway but also two-way railroad tracks from Havana to Pinar del Rio in a relatively short period of time. I see that the highway works are very advanced. I believe they have some problems getting parts for some equipment, some bulldozers. Considerations are being made to see if it is more convenient to get the parts or buy new equipment. They are making a big effort and that project is going very well.

Great work has also been done in the Guama Dam. They have built the Guama Dam in a short period of time. They are going to close it in April. Some 50,000 cubic meters will be kept in a compact area and 22,000 in another area. We will have a place to impound 40

million. The people who are diverting the water are helping them. We will be able to use that water—that which we impound—in Guama next year.

One of the most stimulating projects is the one in La Roja. We had a brigade and another one that was incomplete; we completed the one brigade today (?in addition to) the equipment. We have two complete brigades. We are thinking about organizing two more by the end of the year, by the end of the year [repeats], for the next dry season. We will be working with four large engineer system brigades in La Roja. It is a magnificent project. Some 4 or 5 hectares of flat land are left. This should increase yield by 50 percent [words indistinct] and reduce water use by 40 percent. [end recording]

Mrs Mitterrand Arrives in Santiago de Cuba
FL1103003089 Havana Radio Rebelde Network
in Spanish 0002 GMT 11 Mar 89

[Text] Mrs Danielle Mitterrand, wife of French President Francois Mitterrand, arrived in Santiago de Cuba this afternoon. She will visit places of historic and touristic interest. Mrs Mitterrand was welcomed at the Antonio Maceo International Airport by Eddie Fernandez Boada, member of the Communist Party of Cuba's [PCC] Central Committee and president of the people's government in that province. Jose Ramon Fernandez, alternate member of the PCC Central Committee Politburo and minister of education, accompanied the wife of the French statesman.

During her stay in the cradle of the revolution, Mrs Mitterrand will visit the mausoleum containing the remains of national hero Jose Marti at the Santa Efigenia Cemetery and also The Maceos' Museum House and the French ruins in the Gran Piedra area. Mrs Mitterrand has been in Cuba since last Wednesday on a private visit at the invitation of Commander in Chief Fidel Castro, president of the Councils of State and Ministers.

Further on Mitterrand Visit
FL1103125289 Havana Radio Progreso Network
in Spanish 1200 GMT 11 Mar 89

[Text] President Fidel Castro has offered assistance to the France Liberte Foundation for programs that the organization is carrying out in Africa against AIDS. The foundation is headed by Danielle Mitterrand, wife of the French president.

The announcement was made during a dinner in honor of Mrs Mitterrand, wife of the French president. AGENCE FRANCE-PRESSE reported that Mrs Mitterrand was delighted with the offer and she said, textually: We are usually asked to do something; this is the first time we are offered something.

The secretary general of the foundation, Raphael Doue, will return to Cuba within 3 months to examine the offer in detail.

The French first lady yesterday traveled to Santiago de Cuba after touring the Isle of Youth. She was accompanied by Cuban Education Minister Jose Ramon Fernandez. In Santiago de Cuba, Mrs Mitterrand visited museums and historic areas, such as the ancient ruins of French immigrants in the Gran Piedra area.

In the Isle of Youth, the distinguished visitor declared that her meeting with students from several African countries was a symbol of what the youth can expect in the 21st century.

The wife of the French leader has been in Cuba since last Wednesday [8 March]. She is responding to an invitation extended by President Fidel Castro.

Mrs Mitterrand said: This tour has been helpful in providing us with additional reasons [as heard] and in recognizing once more the initiative and motivation of a population that wants to live differently.

Soviets To Help Build Nuclear Research Center

*FL1403040989 Havana Radio Rebelde Network
in Spanish 0032 GMT 14 Mar 89*

[Report by Gisela Bel Heredia during "Exclusivo" program]

[Excerpts] The Raul Roa Garcia and Jose Antonio Echeverria Contingents were inaugurated this afternoon in Havana. They will participate in the ground breaking and building of the Center for Nuclear Research, CIN.

A list of the workers' commitments was read by Comrades Carlos de la Fuente and Lazaro Mendizabal and the banners were received from the first secretary of the party in Havana, Jorge Lezcano Perez. Afterwards, (Kirkon Der), chief of the Soviet advisors, spoke to the construction workers.

[Begin (Der) recording, in Russian with simultaneous Spanish translation] We, the Soviet and Cuban construction workers, should direct our efforts toward the unconditional completion of the first stage of the center. The complex will become operational in 1991.

The Soviet specialists working on the construction of the center will do everything required of them so that the work advances according to schedule. We are certain that the Soviet organizations in Moscow, which have made a commitment to guarantee the construction of the CIN, will also fulfill their obligations and guarantee the equipment and material necessary, as well as the technical documentation required. Even though we currently have some difficulties in certain areas, we are certain that with the joint Soviet-Cuban effort we will overcome these difficulties and we will fulfill the task on schedule. [end recording]

The closing remarks were made by Pedro Ross, secretary of the Central Committee of the Communist Party of Cuba, who stressed the importance of building this investment with contingents. He also referred to the salary system, discipline, and work of these forces.

The immediate task of the ground-breaking contingent will be a work program that includes the completion this year of the ground breaking for the Isotope Center, the CIN, and other small projects. The collective has 69 pieces of equipment and 100 outstanding workers, including members of the party and the UJC [Union of Young Communists].

This is all for the moment, good evening.

Final Protocol Signed With Burkina Faso

*FL1103191789 Havana Tele-Rebelde Network
in Spanish 1800 GMT 11 Mar 89*

[Text] Cuba and Burkina Faso have signed the final protocol of the Third Cuba-Burkina Faso Intergovernmental Session.

The document was signed by Issouf Ouedraogo, Burkina Faso planning and cooperation minister, and Juan Escalona Reguera, Cuban justice minister, who presided over the work sessions of the intergovernmental meeting.

The agreement signed in Havana includes multifaceted cooperation and stresses the areas of health, education, agriculture, food and sugar industries, and others.

The Cuban and Burkinabe delegations acknowledged the current extent of cooperation and they described it as exemplary in reference to comprehension and mutual respect.

Fishing Agreements With Canada Effective 15 Mar

*FL1403025889 Havana Television Service
in Spanish 0100 GMT 14 Mar 89*

[Text] Fishing agreements between the Governments of Cuba and Canada will be maintained this year. These agreements authorize the Cuban fishing fleet to conduct their operations in Canadian jurisdictional waters as of 15 March. On this occasion, Cuba's quota will be greater than in previous years.

Our country and Canada have had fishing agreements since 1977 and the two nations are studying the possibility of future scientific-technical cooperation, especially in the area of oyster and lobster breeding.

Internationalists Build Sugar Mill in Vietnam
*FL1003174089 Havana Tele-Rebelde Network
in Spanish 1200 GMT 10 Mar 89*

[Text] As another demonstration of our people's internationalism, Cuba is cooperating with the Socialist Republic of Vietnam in the construction of a new sugar center which should be completed next year.

[Begin recording] [Unidentified announcer] We are standing here next to Jorge de la Torre, the principal designer of the sugar mill that is being constructed in Vietnam.

[De la Torre] During a recent visit we made to Vietnam to assess the progress of the sugar mill, we were able to observe its current state. It is in the earth-moving and cement-pouring stage. Vietnamese workshops are also being constructed—they are civilian structures—and equipment is being designed for the sugar mill.

In Cuba, we are simultaneously constructing some equipment that will be sent directly to Vietnam. We currently have six comrades in Vietnam assessing the project alongside Vietnamese personnel who are working on the same thing.

The significance of this center will be very notable. The construction of this sugar mill in Vietnam will create a great source of employment in that brother country. This center is close to the Cambodian border where no other sugar mill exists. It is in southern Vietnam, close to the old Saigon Province, in Ho Chi Minh City. [end recording]

Haiti

MIDH's Marc Bazin on Current Situation
*FL0903195089 Port-au-Prince LE NOUVELLISTE
in French No 33.475, 4-5 Mar 89 pp 1-2, 5-6, 12*

[Interview with Marc Louis Bazin, president of the Movement for the Establishment of Democracy in Haiti MIDH, by unidentified LE NOUVELLISTE reporter; date, place not given—first paragraph LE NOUVELLISTE introduction]

[Text] We interviewed Mr Marc Bazin, leader of the MIDH, 1 week after the forum on the creation of an election council. Mr Bazin kindly agreed to take stock of a certain number of matters of current interest for LE NOUVELLISTE's readers—not only the forum and the balance sheet thereof, but also elections, the Army, the economy, security, the civil service, and the prospects of the new phase of the transition to democracy.

[Reporter] What, in your opinion, does the balance sheet of the forum look like?

[Bazin] Positive. The forum produced the results we were hoping to see, and it marks, in our eyes, an important step in the process of transition begun back on 7 February.

[Reporter] You, as well as other participants, have been much criticized for having agreed to attend the 9 February forum. What led you to brave that criticism—and even taunting from a certain sector of the press—and attend the forum?

[Bazin] A practical reason. We consider an election council a necessity in a democracy. The absence of an election council creates an institutional void that had to be filled. This is now well on its way to happening. We have a good decree, one which faithfully respects the spirit of the Constitution. The decree issued also refers expressly to the Constitution. Article 8 of the decree clearly says that upon being sworn in, the members of the election council are to swear to respect the Constitution.

[Reporter] The political parties that chose to stand aloof from the forum claim that the decree turns its back on the Constitution. What do you have to say about this?

[Bazin] This reproach is not a responsible one. For most of the parties that did not participate in the forum, the reason—to which they have admitted—was that the forum was not necessary, since the makeup of the CEP [Provisional/Permanent Election Council] was provided for in the Constitution. Therefore, there was no reason—according to them—for discussing the matter anew.

[Reporter] Do you find this point of view well founded?

[Bazin] Not at all. For those of us who are deeply attached to the Constitution, the forum was, on the contrary, one more opportunity to do away with the acquisitions [of that Constitution]. The forum's final result shows that we were right [to attend]. Everyone who is honest acknowledges this.

[Reporter] As regards the forum, how do you feel about the government's attitude?

[Bazin] The government's attitude was constructive from beginning to end. The government conducted the dialogue with the democratic center in a positive manner. It respected all its commitments, both as regards the invitations to participate and the substance of the decree or its publication deadline.

[Reporter] Under these circumstances, do you think that those who did not attend were wrong not to do so?

[Bazin] That is up to them to decide. The uproot-cassava-plants business, the calls for resignation, the attempts to destabilize, the refusal to go to elections under General Avril—all these things are attitudes that each political party must judge for itself, and whose merit it is not up to me to evaluate.

[Reporter] How do you, indeed, feel about those who say that they will not go to elections under Gen Avril?

[Bazin] It's their right, and it is a right I respect.

[Reporter] One issue much debated at the forum was the matter of a government of national coalition. How do you feel about that?

[Bazin] The idea of a government of national coalition to us seems not very logical; it could complicate the situation further.

A government of national coalition?

With whom? Already a certain category of people from among the political class has publicly declared that they consider Gen Avril and his government an absolute evil—to begin with, contaminated with the virus of Duvalierism. There is no way these people will go to elections under Gen Avril. All the more reason for not seeing how they could ever agree to sit down around the table with him at a cabinet meeting.

The democratic center essentially feels that a government of national coalition under the current circumstances would aggravate the confusion, and solve nothing. This democratic center thinks a cabinet reshuffle would suffice.

The Form of Government Again Questioned

Lastly, only the extremes are frankly in favor of a government of national coalition. But, in all honesty, one cannot see how their mere presence around Gen Avril would restore confidence in the electoral process in Haiti—much less how the extremes could reach agreement among themselves on a program of government. The communists are already openly questioning the very nature of the government.

[Reporter] How do you actually interpret the communists' attitude in this regard? Many people were quite astonished to hear the secretary general of the communist party launch into a violent critique of liberal democracy, of the fact that the nature of the executive branch of the government depends on who is president, and—now and then—of the very principle of holding elections.

[Bazin] That attitude on the part of the communists shouldn't be surprising.

The Position of the Communists: A Disavowal of the Constitution

The Haitian communists' rejection of elections is part of the logic and practice of communist parties worldwide. On the other hand, what is surprising is that the Haitian communists voted in favor of the Constitution of 1987, which is probably the most genuinely liberal Constitution we have ever had. Already back then, we of the

MIDH had expressed our surprise at seeing the communists vote in favor of a constitutional text that so solemnly applied itself to organizing what communists sarcastically call formal democracy and freedom.

Did the communists misread the Constitution? Otherwise, you cannot understand how they voted yes, because the Constitution of 1987 clearly and definitively stipulates, in Article 133:

"The executive power is exercised by

"a) the president of the Republic, who is the chief of state;

"b) the government, headed by a prime minister."

[Reporter] From which it follows that....?

[Bazin] From which it follows that the Communist Party is again questioning the form of executive power, and its presidential nature equals not only a violation but a disavowal of the Constitution. As a matter of fact, we wonder if the groups for the defense of the Constitution have noticed this. If they have, they will surely not be long in making themselves heard on a matter as fundamental as this.

[Reporter] So, then, Mr Bazin, are we to understand that what goes for the form of the executive power also goes for the elections? The question arises sharply, for we are already hearing certain radio stations give themselves over gleefully to accusations of "vote-seeking" against certain political parties, among them the MIDH. Does it bother you to be labeled one of the vote-seekers?

[Bazin] Not at all. For a true democrat, elections are the very essence of democracy. What many people do not seem to want to admit is that the elections, far from being a problem, are a way of solving the problem. In a crisis situation marked by antagonisms and division, where certain people want everything right away and others do not intend to ever give up anything whatsoever, the electoral process is the best peaceful and reasonable hope for change.

Refusing Elections: An Undemocratic Attitude

We feel that to refuse to go to elections is a profoundly undemocratic and unconstitutional stand. Furthermore, it reveals a mistake in analysis, for elections are deeply rooted in the political culture of Haiti. We have a long tradition of elections. It is because of this tradition that despite the mishaps suffered throughout our history by the electoral process, the Haitian people, basically peaceable and tolerant, almost always respond positively when elections are called for. Besides, elections correspond to and satisfy the Haitian people's taste for sport and competition. At the same time, the Haitian people look upon elections—whether one likes this or deplores it—as a necessary mechanism for the transfer of resources.

[Reporter] Another argument put forth by those opposed to elections is that under the current circumstances, they could not be assured of the slightest guarantee of security. What do you think of this argument? Would you, for example, be willing to go out again to the farthest corners of Haiti to campaign, as you did in 1987? Would you be willing to again ask the people to go out and vote? Aren't you afraid there might be another 29 November?

[Bazin] Like everyone else, I am concerned about security—beginning with my own, in fact. Thus, there is no question of my exposing myself—much less anyone else—in a thoughtless manner. That is why our approach to the coming elections will be, in a way, a step-by-step approach.

[Reporter] That is to say....?

[Bazin] The electoral process is, by nature, a path with several stages. Each stage should have a corresponding, particular, level of security.

For example, what measures will the government take to provide security for the CEP, to ensure that its decisions are respected, and to protect the members themselves physically, as well as their families and their residences?

What about protection for touring candidates? What about their homes?

Next will come the setting up of the electoral offices. Will anyone try to threaten or intimidate their members? If so, how will the government react?

Security in Stages and Successive Tests

These questions define the different stages and the level of security necessary. We look upon each stage as a test. Only if all the tests are passed successfully, one after another, and if the government and the CEP show evidence of a spirit of cooperation and concerted action—rather than of confrontation and rigidity—will we decide if, and under what conditions, we are ready to cross over the last line leading to the big day, election day.

As you can see, although we believe in elections and although we are ready to participate, as of right now, in the electoral process, we are not planning to act rashly. Our engagement in the electoral process is progressive and conditional. Thus, in any case, the idea is not to seize the government by the throat in order to wrench elections from it at any price.

An Appeal to the Spirit of Dialogue

In any case, we are, already as of now, calling for a spirit of dialogue and concerted action on the part of all the protagonists. This is the only way to avoid jolts on both sides like those of the past. For the time being, and based on the security provided for the forum, I am not pessimistic.

[Reporter] Why aren't you pessimistic? What difference is there between today and 1987?

[Bazin] First of all, the experience of 29 November. That terrible lesson is still fresh in everyone's mind, as are its social, political, economic, diplomatic, and even psychological consequences.

Next, a dialogue is already beginning between the Army and the political leaders who accept the principle of dialogue. The forum is eloquent testimony to this.

Lastly, everyone—the Army too, no doubt—can perceive the nation's impatience to get out of this transitional situation, a situation that is lasting too long. To maintain this situation is to play into the hands of the enemies of democracy. The nation wants a president and a government with national and international legitimacy—with a mandate and duration known in advance—in order to start the long-awaited great leap forward. It wants a government which will inspire confidence in the future and raise the great hope of better days.

[Reporter] Let's assume, for a second, that everything goes well—that good cooperation is established between the CEP and the military government, that security is provided to the end, and that the electoral operations result in the election of a president of the Republic chosen freely by the majority of citizens. Do you think that all of Haiti's problems will thus be solved?

[Bazin] Not at all. For us, the election is not an end in itself. It is merely a first step toward a less poor, less unjust, society. However, we are convinced that only a clear electoral mandate from the Haitian people can confer on a civilian president the moral authority necessary to set the nation on the path of renewal and reconciliation, attract the massive economic and financial aid we need, and provide employment, and as a result create a climate of serenity and security that favors setting in place the rules of the game of democracy and allowing them to take their course freely.

A Society of Tolerance

What we want is to have the nation become a tolerant society, which accepts the alternation and orderly transfer of power, which takes for granted the good faith of partners, and in which problems would no longer be presented in terms of black or white, with the good on one side and the bad on the other.

[Reporter] Let's talk about the Army now, if you will. What role do you see for the Army during this transition?

[Bazin] A decisive one, for, first of all, reasons of simple common sense. It is the Army that is today holding power. A transition thus supposes that the Army accepts the idea of a transfer of power—which it will not, of

course, agree to do under just any old condition. We always say that in politics, one must start off with what is, and not with what one would like there to be.

8 February 1986: No Natural, Logical, Pretender to the Throne

There is not yet today in Haiti an organized popular movement, a political party to which power could have logically and naturally been transferred, without argument, on 8 February 1986. There was not, on 7 February, any natural pretender to the throne, any kind of logical heir. This is a fact that one can deplore or not deplore, but which one cannot deny. In fact, we barely missed falling into a "cult of Namphy."

Thus, the Army filled, and is continuing to fill, a political void. Furthermore, it will continue to do so until successive elections and a long practice of democracy, combined with a better political level on the part of the population, will have resulted in the appearance of solid, well-structured, political parties based on ideas rather than slogans—parties led by sober, competent leaders, who give the nation, and even the Army itself, the feeling that they can do better than the governments that have preceded them.

The Haitian Transition: A Reverse Transition

Another reason the role of the Army in the process of transition is a capital one is that, contrary to classic situations of transition, it is not a matter of taking power away from the Army to entrust it to a civilian government. It was a civilian government that entrusted power to the Army. Therefore, the Army has been, from the very beginning, an indispensable and important actor, in the transition.

[Reporter] Under these circumstances, it would appear that the Army is holding all the cards. If this is true, one cannot see why it would engage in the game—a game in which it does, after all, risk not being able to hang on to everything.

[Bazin] I do not entirely agree with you.

First, because the Army of 1989 is no longer the Army of 7 February 1986. That of 7 February 1986 was to a great extent only the extension of the political regime which it was succeeding. The Army of 1989, on the other hand, is appearing more and more in the role of institutional actor. It will therefore be concerned with its image, with unity, with the internal cohesion and professionalism of the institution. The process of decisionmaking will thus appear more and more as a consensual process, not only at the level of the general staff and its cadres but also at the very level of the noncommissioned officers and enlisted men.

The Army of 1989: An Institutional Actor

The Army's obvious interest, after having so often narrowly averted catastrophe during the last few years, is in having the space and the means necessary to rebuild the morale of the troops by raising wage levels, improving living conditions, enlarging the chances for promotion, and engaging in the development effort. From that time on, the esprit de corps should logically win out over personal rivalries, the ambitions of the different groups, or nostalgia for the old ways. Furthermore, everybody knows that in the long run, nothing destroys the cohesion of armies as much as the institution's unceasing engagement in politicking on a day-to-day basis.

The Economy: Negative Growth and Pronounced Inflation

Besides the concern with preserving its unity as a corps, there is also the current economic situation, which is characterized by negative growth, a lack of financial resources, increasingly pronounced inflation, unemployment that is rising daily in an increasingly pronounced manner, and a potential that is simply explosive—made up of social tensions, demands, and discontent. All of these are factors that could undermine the legitimacy of any government, and, therefore, with all the more reason, of a de facto government. Therefore, why should the Army wish to shoulder the entire burden of the crisis?

Lastly, the Army ship must always remain afloat. In any situation where the civil peace and the security of the nation's citizens are threatened, the Army is the recourse against insurrection, from wherever insurrection may come. The Army must therefore emerge intact from the transitional process.

[Reporter] Do you today have reason to think that the Army accepts the idea of transferring power?

[Bazin] Curiously enough, much of the answer depends on the attitude of those who aspire to take power. If you say to people holding power: Gentlemen, I give you two options:

Option A: You give me the power immediately and without argument.

Option B: If you do not agree to give it to me immediately and without argument, I will come and take it away from you by force, employing any and all means.

Obviously, option A is not viable. It is, in reality, a nonoption, because it would correspond to the suicide, pure and simple, of those who might subscribe to it.

Consequently, it is you yourselves who sentence them to choosing option B. [sentence as published]

Neither Gestures With the Chin [mouvements de mentons] Nor Incendiary Declarations

[Bazin] In other words, the transition is a dynamic process that involves reciprocal concessions among political forces, and in our opinion, these concessions are not obtained by either gesturing with the chin or by making statements as capricious as they are incendiary. Rather, they are obtained through pressure and negotiation.

Besides, don't forget that a transition that goes well nevertheless does not guarantee the success and permanence of the regime that follows it. Actually, what one judges the success of a democratic transition on is not so much the fact that a first free election was able to be held, as the fact that this first free election is followed by a second, and a third, and so on.

Consequently, to have sort of wrung power from the Army, or pinched—so to speak—power from the Army will not suffice (the recent "breakthroughs" are evidence of this). Rather, a transfer of power under precise, clear, and transparent conditions must be obtained.

[Reporter] Meaning?

[Bazin] Meaning that the Army must agree to give an elected civilian government a chance to prove it is capable of setting Haiti on the path of democracy, prosperity, and stability. And in order for the Army to agree—in fact, both the Army and the ensemble of the socioeconomic forces of production—the actors on the political stage must define with precision the new parameters and reduce the level of uncertainty that is inherent in all processes of change.

A True Dilemma

In other words, we are facing a true dilemma here: how to get the ensemble of the social forces to accept—in their own interest—the need for the reforms, and to cooperate in getting the reforms going.

As you can see, the phenomenon of the transition to democracy is a complex mechanism that must be handled soberly and with good faith. It is thus not a matter of seeing who can be the slyest, nor of swaggering around, boasting and bragging.

[Reporter] The thing people most reproach General Namphy for is having allowed himself to be infiltrated and dominated by the macoutes. Specifically, it is pretty much accepted—judging by the public hue and cry—that it was macoute groups supported by the Army that were responsible for the Ruelle Vaillant [massacre on 29 November 1987], as well as the attacks on Saint Jean Bosco [church].

If, as you say, the Army is acting more and more as an institution, do you see a connection between the Army's new role and the process of getting rid of the macoutes, which remains a basic demand among the popular aspirations? And if the answer is yes, what?

[Bazin] Of course there's a connection. Let us explain, first of all, that in our opinion, no one will be able to demacoutize—as they call it—by decree. Actually, what exactly is macoutism?

Macoutism: A Complex and Explosive Mixture

[Bazin] For us, macoutism is the complex and explosive product of hunger and of a need to exist that was entertained and encouraged by a political regime based on the systematic domination of consciences by means of fear, repression, and corruption.

Every time that in a country as poor as ours you give, without control, a weapon to men who have little self-assurance, they will tend to use it to satisfy their need to show off and to the benefit of their personal interests.

The antidote to macoutism is, therefore, the liberation of the Haitian through education, a rule of law, and equality of opportunity. Otherwise, macoutism will remain the thousand-headed Hydra that as soon as you cut one head off, a new one grows.

Consequently, in our opinion, the democratization of the political structures and the increasing of individual income by means of a full-employment economy constitute the first, indispensable step of any process of marginalizing—and in time doing totally away with—the macoute phenomenon.

[Reporter] Do you mean to say that the Army has no role to play in the matter?

[Bazin] We think that the Army does have a role to play. The more it acts as an institution, the easier it is for the Army to play its role. An Army concerned solely with the unity, cohesion, and interests of the corporate body has nothing to gain by permitting armed groups beyond its control to exist. How it goes about getting rid of them is, naturally, its business. All we ourselves are interested in are the results.

In the very short term, the results [in which we are interested] are a restoration of confidence in the electoral process, the certainty that the electoral process can be carried through to its end without bloodshed, with justice in the rural sections, and the establishment of a climate of peace both day and night.

[Reporter] Another demand which is often expressed is the demand for de-Duvalierization. Many political leaders and leaders of civic groups have made de-Duvalierization—often presented as a corollary of de-Macoutization—a key test of the willingness to effect or allow change of the governments that have succeeded one another since 7 February. What is your point of view on this matter?

[Bazin] Once again, let's begin by defining the terms and their contents. By de-Duvalierization, one can in fact mean several things. However, let us begin by acknowledging that one cannot de-Duvalierize people. In other words, that complex blend of awareness and pride in the black race, nationalism, preoccupation with the indigenous [indigenisme], and aspirations to a better life for the middle class by which Duvalierism could be diagrammatically defined is particular to our sociopolitical life, and is an individual matter on which to try to legislate would be in vain.

On the other hand, a more ordinary definition of the term has to do with the systematic removal of the civil servants currently in the public administrations.

De-Duvalierizing the Administration Without Substituting One Form of Exclusivity With Another

[Bazin] To de-Duvalierize the administration? What can that possibly mean? The administration has been existing somehow or other—mostly limping along—for the past 30 years. Hundreds and hundreds of people have been a part of it, thanks to their loyalty to the regime, thanks to the loyalty of friends or relatives, and also, occasionally, thanks to their merit. That is the truth of the matter. And this truth has been true since 1804.

The Essential Thing Is the Potential To Perform

The problem of our civil service today, at least as far as we are concerned, is not really finding out who owed his position to whom, when, for how long, and under what conditions; nor is it to find out how many times someone has been fired and reintegrated; much less to trace how the political fortune—or misfortune—of the civil servant's mentor has evolved over the past 30 years. Rather, if placed in normal conditions for carrying out administrative duties, what is the potential for performance of the person in question?

We think that one type of exclusivity must not be replaced by another. Besides, no government resolved to progress could—without serious risk to the follow-up of operations, the effectiveness of services, the security of transactions, and the voluntary adherence of the administration—back-track up the course of the history of the administration for the past 30 years in order to dig out the candidates for de-Duvalierization and settle accounts.

The criteria to use henceforth is criteria that looks to the future. The line of demarcation, in our opinion, is the desire to effect change to the benefit of the well-being of the Haitian people.

The Matter in Question: A Reform of the Government

On the other hand, what one must understand from now on is that the civil service, because of the very nature of its institutional structures and our current level of development, brings considerable weight to bear on the decisionmaking process, the carrying out of policy, and the overseeing of the manner in which those under the administration conform to the rules and regulations. It will therefore, in any case, be necessary to improve the quality of the goods and services produced by the state.

This entails the establishment of an institutional climate favorable to creativity and concern for the public good, greater adequacy between schooling and the needs of the civil service, a continuous training effort, clear career prospects based on performance, suitable salaries, stable jobs as safe as possible from the intrusions of politics, and an enlightening and a clarifying of the tasks of the administration through decentralization and recourse to private initiative.

That is what we, for our part, call "reforming the government."

[Reporter] Well here we are, Mr Bazin, at the end of our interview, which we are forced to end, for lack of time and space. And yet there are still so many matters I would like to discuss with you! How unfortunate. In any case, I will leave the last word for you. Is there any particular point on which you would like to end the interview?

[Bazin] What the MIDH would like is to see Haiti, already fissured in so many places, emerge from this process of transition in one piece, without anything essential broken. In order for this to happen, true political leaders must show that they have the necessary mettle to indicate the path—and the courage to not give themselves over to incoherent and loud, flashy, showy, blustering tagging along [suivisme]. Mettle is a virtue of character. Having character these days means avoiding giving in to the trap of the "tabula rasa." It is decidedly not saying one thing today and its opposite tomorrow.

Progressive Reform With a View to Effecting Change

Leaders—real ones who are capable of leading—must look the truth in the face. The truth—at least for the MIDH—is that the great problem of our contemporary Haiti does not lie in making a choice between total rupture and modulated, gradual, and progressive reform. In our opinion, it is through the process of reform that change will come.

And, based on this idea, it is through reform that the necessary evolution will take place. The MIDH would like to see the birth of a national consensus.

A National Pact

In order to reach this national consensus, we will, out of necessity, have to first make a national pact. If you will recall, the national pact was the third aspect of the crisis strategy that we sketched out, so to speak, in a televised statement to the nation on 28 June 1988. The two other aspects of this strategy were a national dialogue and a national discussion. Those two aspects are today well under way. Thank you for your time.

MPP Marks Women's Day With Demonstrations

FL1303180089 Port-au-Prince Radio Soleil Network
in Creole 1200 GMT 9 Mar 89

[Excerpts] The 14th international women's day was marked, yesterday, by messages, demonstrations, peaceful marches, and assemblies in Port-au-Prince and provincial towns.

First, in Hinche in the central plateau, following a congress, several thousand women members of the MPP [Papaye Peasants Movement] yesterday participated in a big peaceful march from Papaye to Hinche. Our correspondent will give us details.

[Begin recording] [Correspondent Moliere Richard] [Passage omitted] At 1100 some 3,000-4,000 women gathered in front of the [word indistinct], carrying placards on which were written all their demands. [passage omitted]

At 1300, they gathered at Charlemagne Peralte Square to deliver a message for all women in general.

[Unidentified woman] We ask all women's organizations and all popular organizations to show solidarity with Father Hugo and the entire Radio Soleil team. We ask the team to stay united and not to let them divide it.

We have learned with great sorrow that they murdered (Consuelo Garcia) while she was struggling for a better life for the poor in Peru. We say to everyone that we disapprove of this act of repression, this abuse. And we say to all [words indistinct] struggling in Peru to not be discouraged. The cause they are defending is a just cause. One day, surely, they will be victorious. [passage omitted] [end recording]

The journalists who went there from Port-au-Prince on Tuesday afternoon to cover the congress encountered many problems from the soldiers at the outpost at the entrance to the town of Hinche—who investigated them and acted rudely. They made them wait a good while at the outpost before releasing them.

Further on Demonstration

FL1303174489 Port-au-Prince Radio Nationale
in Creole 1400 GMT 9 Mar 89

[Excerpt] In the town of Hinche, the women of the Papaye Peasants Movement, the MPP, celebrated yesterday, Wednesday 8 March, international women's day. They held a very big demonstration, according to our correspondent in that area, (Nicolas Fleuranvil).

[(Fleuranvil)] Yesterday, Wednesday 8 March, within the framework of international women's day and in order to close the MPP women's congress that began on 3 March, the MPP women held a big demonstration to mark the day. The demonstration began in Papaye. It went up and down many streets in town [Hinche].

All along the way, the women chanted slogans and demands. They asked for Creole pigs, which constitute the peasants' secret bank, to be brought back to Haiti; for the Americans to not meddle in what is happening here in Haiti, in our country; and for Haitians to stop going to cut cane in the Dominican Republic. [passage omitted]

Government Plot Against MPP

FL1303185389 Port-au-Prince Radio Metropole
in French 1700 GMT 10 Mar 89

[Excerpts] In the central plateau, the MPP women's congress has ended and several resolutions were adopted. [passage omitted]

At the end of the demonstration [women's march in Hinche, to close the congress] the resolutions adopted during the congress were read on Charlemagne Peralte Square in Hinche by one of the organizers of the congress.

[Begin unidentified woman recording, in Creole] We insolvent women don't want them to merely come drag us in to vote when there are elections. We want to participate in the political life, in the country's policy, at all levels. We want to bring our weight to bear on the decisions that are made.

Our enemies are not our husbands, our brothers, or even men in general. Our enemies are the rapacious, exploiter classes.

We have decided that there shall not be a separate struggle by poor women and poor men—(?nor between) poor men and poor women. [passage omitted]

We have decided not to pay taxes as long as we cannot see what the government does with the money—not until the government provides adequate services for the different areas. [passage omitted]

Our resolution on the political juncture is that we have decided not to get involved in any (?hollow) election that might lead to greater violence than the 29 November massacre. [end recording] [passage omitted]

The women of the Papaye area also denounced a government plot to physically eliminate MPP leader Chavannes Jean-Baptiste. The government denied, last week in a communique, that such a plot existed.

Jean-Baptiste, head of the MPP, who has won a human rights award from the France-Liberte Foundation, says that this plot will be carried out after Mrs Danielle Mitterrand's visit to the area. She is to visit Papaye on 11 March.

[Begin Jean-Baptiste recording, in Creole] [Passage omitted] They sort of tried to tell us that it was only a rumor. It is true that it is just a rumor, in that no one has evidence that can serve as proof. But in Haiti, there is never ever smoke without fire! Therefore, we continue to believe that there was a plot being set up, that a plot indeed has been set up against the MPP. And I don't think it is only against the MPP. It is a plot against all people's organizations, a plot to prevent the people from defending their rights and their interests. [passage omitted]

For example, here in Hinche, yesterday—according to information we have, and we verify our information—a delegation left Hinche secretly. It seems it is the Army that formed the delegation, so as to send it to Port-au-Prince with a particular goal: to set up a plot against the MPP, to attack the MPP. [end recording]

Jean-Baptiste, who won the France-Liberte Foundation's human rights award this year, will, in less than 48 hours, play host to the wife of [French President] Francois Mitterrand, Danielle Mitterrand, who is this foundation's president.

The MPP is one of the country's most important peasant organizations.

Dominicans, Haitians Arrested in Martissant
*FL1003210189 Port-au-Prince Radio Soleil Network
in Creole 1200 GMT 9 Mar 89*

[Excerpts] It seems that the police last night at around 2100 arrested four Dominicans and one Haitian in Martissant—more precisely, in front of Centre d'Achat de Martissant [a small shopping center]. It also seems that the chief of police intends to hold a press conference early this morning, at around 0700. [passage omitted]

Thus, it seems the chief of police intends to meet with the press at around 0700 this morning on the arrest last night of these men, who appear to be connected with the acts of brigandage occurring in Haiti.

It is 0711 at Radio Soleil. Our colleagues Yves-Marie [Chanel] is trying to give us more details on this.

[Chanel—live by phone] Indeed, Venel, the police last night arrested four Dominicans and two [number as heard] Haitians. [passage omitted] They had stolen a

Honda with the license plate number D-7678 from Cite Soleil. The owner reported the theft to Fort Dimanche, which alerted the police general headquarters, which asked patrols to take the necessary measures—to look around and try to find the car. [passage omitted]

They had knives and a (Mossberg) rifle. They had sawed off the barrel of this rifle, and the police said that a sawed-off barrel makes the gun more powerful, almost as powerful as an automatic rifle.

These people are part of a gang, and according to the first reports, it is already known that they have committed six acts of banditry since the beginning of January.

The police were supposed to hold a press conference this morning at 0700, but the press conference was not held. They are to give more information on this gang at midday.

Alleged Members of 'Death Squad'
*FL1003200689 Port-au-Prince Radio Nationale
in Creole 1400 GMT 9 Mar 89*

[Excerpt] At approximately 2100 last night, the police arrested six young men—two Haitians and four Dominicans. These men were driving a red Honda Civic with license plate number D-7678. They were found near the Centre d'Achat [a small shopping center] in Martissant. They were found to be carrying, in the car, a hunting rifle that they had no authorization to carry around. The police arrested them and they are now in jail. They will be taken to court to answer charges.

We have reports to the effect that these men belong to the death squad, are part of the group of men who have been running rampant in the streets of Port-au-Prince killing people, raping girls, and otherwise assaulting people. [passage omitted]

Further on Martissant Arrests
*FL1303192989 Port-au-Prince Radio Nationale
in Creole 1400 GMT 10 Mar 89*

[Excerpts] As we reported in yesterday's newscast, the Port-au-Prince police rounded up some criminals the night before last at around 2100 at the Centre d'Achats de Martissant [a small shopping center in the Martissant section]. [passage omitted]

The Honda Civic involved belongs to engineer Albert Dossou. The police found two walkie-talkies, two sharp knives, one box of 25-caliber bullets, and one rifle in that car.

Nine people have been implicated in this affair: Dominicans Olivier Gonzalez, Julio Alberto, Amado Felix and Narcisse Rivera; and Haitians Frantz Robinson, Ronald Etienne, Albert Dossou, Delinois Louis, and J. Omel Joseph.

After questioning by the police, 18-year-old Frantz Belanson [name as heard], who had rented the Honda for the Dominicans, said that the group was to have committed a robbery the night before last that would have given them \$20,000. He admitted to the police that they had already committed several robberies, such as robbing the gas station on Ruelle Berne, robbing several houses, and, recently, attacking a bus on the road to Malpasse—where they had taken money and merchandise.

The owner of the Honda is Eng Albert Dossou, whom we were able to question. He told us that he did not know anything about any of this. He said he did not know that his car was being used for the purpose of committing robberies. [passage omitted]

For his part, Lieutenant Pierre Francois of the Port-au-Prince police told us that this roundup was part of the important measures that the Port-au-Prince police are taking, are envisioning, in order to put an end to the acts of banditry and the robberies being committed in Haiti—in short, to put an end to the insecurity that has increased in Haiti over the past few months. [passage omitted]

More 'Raids' Carried Out

FL1003204489 Port-au-Prince Radio Metropole
in French 1700 GMT 9 Mar 89

[Excerpts] [First announcer] The police carried out many raids this morning. Nine people have been arrested. Some of these people possessed illegal firearms and were guilty of stealing cars.

[Second announcer] [Passage omitted] The owner of a stolen vehicle was also taken into custody, because (?he) is needed in connection with the investigation, says Lieutenant Pierre Francois, who was in command of the patrols in Port-au-Prince last night.

We point out that another eight Dominicans lodging at the same hotel as their gangster [preceding word in English] compatriots were called in for questioning by the police.

The two Haitians arrested along with the Dominicans last night have made important revelations to the policemen. They say they participated in several of the burglaries that have occurred in Port-au-Prince recently.

We interviewed Lt Pierre Francois of the Port-au-Prince police in connection with this wonderful roundup. He was in command of last night's patrols.

[Begin recording] [Francois] We have begun an investigation. So far, the investigation has revealed that several thefts that occurred in February, well, some of them.... [changes thought] At the beginning they were very reticent. They did not want to cooperate. Finally one of the Haitians told us that there were at least five hits in February that were effected by.... [changes thought] I will

tell you quickly what the cases were. In the Malpasse area, on the border, the Dominicans and the Haitians stopped and attacked vehicles traveling between Santo Domingo and Port-au-Prince. Also, in the evenings, they would assault the night watchmen at gas stations and take whatever they had in their cash boxes. Next, they told us they had hit the money changers twice. Thus they are in the habit of doing this kind of thing. They revealed to us that they committed a number of crimes.

The investigation is going to continue. This is just the beginning of the investigation—what we found out immediately. The investigation is going to continue and will probably be conducted by the commanding officer of the Anti-Gang Section.

[Unidentified reporter] Can we say that this is a network that you have begun dismantling?

[Francois] Probably. It looks that way. Stay in contact with the 45th Company, Investigations and Anti-Gang Section (?and you) will have further information.

[Reporter] Regarding, precisely, the presence of these Dominicans in the country, there have already been several incidents in which Dominicans have been found to have been involved. Can't the police, or whoever the competent authorities are, take measures to control these Dominicans' arrivals in Haiti [words indistinct] a danger for some time now?

[Francois] I think they are going to have to. I think the Port-au-Prince police authorities are well aware of the problem. In fact, this increase of Dominicans in the police's jail cells proves that this is something to control. As I told you, while it is true that I am a police officer, I was assigned to the Motor Vehicle Traffic Department. I was called upon to (?supplement) the officers who were supposed make up the patrol.

You can probably get the additional information you are seeking from the 45th Company, which is the company responsible for investigating such cases. [end recording]

[Second announcer] The police found weapons and communications equipment in the car in question. [passage omitted]

Lt Pierre Francois announces that the police are increasing night patrols in order to counter the actions of these evildoers.

Ciment d'Haiti Employees Planning To Strike
FL1303183889 Port-au-Prince Radio Nationale
in Creole 1400 GMT 10 Mar 89

[Excerpt] The employees of Ciment d'Haiti have announced to us that they are going to strike next week. We will hear from Michel Lubin [RTNH reporter] again. He is going to give us more details.

[Lubin] It looks as if there is going to be a strike at Ciment d'Haiti next week. The employees might go on strike because of the plant's lawyer. It seems the lawyer has been giving the employees and the security guards a hard time.

One of the guards told us that the lawyer needs to get rid of them. It seems he asked the administration to replace the civilian security guards with soldiers. The security guards told us they have no rifles or revolvers with which to provide security. However, in case of emergency, they can use walkie-talkies, machetes, and iron ball bearings [in slingshots].

The guards say that under the Duvalier government, the security guards used to be a group of SD's [political police under the Duvalier regime]. However, the SD men did not do a thing for the plant. On the contrary, they used to amuse themselves by shooting at area residents. [passage omitted]

Insecurity Continues in Port-au-Prince
*FL1303182389 Port-au-Prince Radio Nationale
in Creole 1400 GMT 10 Mar 89*

[Text] Insecurity is still the big news. Much shooting was heard early last night—as of approximately 2100—in several neighborhoods in Port-au-Prince. This made many people a bit uneasy. They were frightened, and everyone rushed to get home off the streets.

Nobody knows what was going on last night in the capital, where a great deal of shooting was heard.

Justice Ministry Communique on CEP Personnel
*FL1003213589 Port-au-Prince Radio Nationale
in Creole 1400 GMT 10 Mar 89*

[Text] The Ministry of Justice informs the different institutions (?and) organizations and institutions affected by Article 13 of the decree of 23 February 1989 creating the Permanent Election Council [CEP] that as of the publication of this communique, the ministry will receive the people who are to choose their representatives—and this until Wednesday 22 March 1989, inclusive. [sentence as heard]

The communique is signed by Augustin Romain Ceme, minister of justice.

Head of National Printing Office Fired
*FL1303180789 Port-au-Prince Radio Nationale
in Creole 1400 GMT 10 Mar 89*

[Excerpt] [Passage omitted] The Ministry of Information and Coordination announces that following the firing of the general director of Presses Nationales d'Haiti [the national printing office], the institution's administrative director, Mr (Arnold Aupont), has been appointed interim director general.

Costa Rica

Arias Reinforces Guard at Panama Border

PA1103151989 Panama City ACAN in Spanish
1405 GMT 11 Mar 89

[Text] San Jose, 10 Mar (ACAN-EFE) [dateline as received]—It has been officially announced that Costa Rican President Oscar Arias has ordered the deployment of 40 civil guards to reinforce the border with Panama.

On Friday Costa Rican Public Security Minister Hernan Garron inaugurated the Civil Guard Southern Command station in Sabalito de Coto Brus.

In addition, three subcommand stations were created along the border with Panama. These subcommand stations are located in Sereno, Las Mellizas, and La Union.

In 1988, following various incidents between Panamanian soldiers and Costa Rican authorities and residents, President Arias ordered the Civil Guard to take over surveillance along the 362-km southern border.

In late 1988, a bomb destroyed a business in San Vito de Coto Brus, Costa Rica. The company was owned by a Panamanian citizen who opposes both the Panamanian Government and General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces.

Following this incident, Costa Rican authorities charged that Panamanian soldiers had been involved in the bombing. Another incident occurred when a group of Panamanian soldiers stopped a Costa Rican Government minister and his delegation on the Costa Rican side of the border.

Official sources report that the civil guards who will be protecting the border area arrived in southern Costa Rica on 1 February. The sources added that more residents are expected to join the command beginning 17 March.

Garron Denies 'Border Problems'

PA1103203789 San Jose Radio Impacto in Spanish
1836 GMT 11 Mar 89

[Text] Costa Rican Public Security Minister Hernan Garron formally inaugurated the Civil Guard Southern Command station in Sabalito de Coto Brus. As of today civil guards, under orders from the Public Security Ministry, will be stationed at this post. Minister Garron explained that the deployment of the Civil Guard to that area was ordered by Costa Rican President Oscar Arias. Commissioner Carlos Rodriguez, the new station commander, was introduced and praised by Minister Garron, who feels that the new commissioner's virtues will be of great help to residents of the various communities within the Coto Brus Canton.

Minister Garron stressed that the measures adopted were not intended to stop border problems, since these do not exist. Garron explained the difference between the words boundary line and border zone. According to Garron, a boundary line must be clearly defined to prevent incidents that could occur because of a misunderstanding. The minister said that the boundary line will be outlined by markers that will soon be set up and that some of these markers have already been built. The public security minister added that the boundary line between the two countries will be outlined by members of the Costa Rican and Panamanian Geographical Institutes.

Minister Garron defined a border zone as an area established by Panamanians and Costa Ricans where trade is conducted. Minister Garron added that if the boundary line is not properly outlined, it could create problems between Panamanians and Costa Ricans, and that if people are not aware of actual boundary lines, then they will not know when they have crossed from one country into the other.

Public Security Minister Garron said that there is a road between Piedra Candela and La Union which is constantly used by Panamanian and Costa Rican policemen. Minister Garron said:

[Begin Garron recording, broadcast in progress] ...believe that the border is being violated. I wish to clarify a couple of things. Between Piedra Candela and La Union, there is a road that the Panama Defense Forces have been using for the past 20 years. They use this road because the road on the Panamanian side of the border is impassable. I must stress that when we have needed help to repair our side of the road, the Panamanians have helped us. Today many people seem to have forgotten this; however, I cannot forget it.

The road that I am talking about is not a good road. It is a dirt road, and when it rains it becomes impassable. But it is a road that has always been used. Some people believe that when the Panamanian policemen use this road on their way to Sereno, they are violating Costa Rican territory. We must remember that this right is part of an agreement made 25 years ago. As long as they do not have a good road, it is only logical that they will use ours. With the authorization of Captain Gomez [not further identified], I have crossed from La Union to Canas Gordas and have done this through Panamanian territory. [end recording]

Minister Garron said that all differences must be resolved through dialogue and he criticized those who want to promote war between the two countries:

[Begin Garron recording] We are two sister countries. I want to be very clear about this, because there are still some who believe that the call to war must be sounded against Nicaragua and Panama. We do not believe that. We will never promote a division between sister nations;

we will never promote actions that endanger lives. I am saying this because some believe that we must act in a certain way. [end recording]

Minister Garron also recalled that some years ago that border area was affected by guerrilla activity. It was then that the late General Omar Torrijos suggested building the Volcan-Sereno road, which made it possible to eliminate guerrilla activity. Many deaths resulted and unrest prevailed in those days. However, the situation has changed and today there is peaceful coexistence in that area.

Arias Receives U.S. Envoy To Discuss Region
PA1003154489 San Jose Radio Impacto in Spanish
1830 GMT 9 Mar 89

[Text] Morris Busby, special U.S. ambassador to Central America, met privately on Wednesday with President Oscar Arias. This is Mr Busby's first visit to Costa Rica since President George Bush took office.

According to Foreign Ministry sources, the White House envoy discussed the regional situation with President Arias, but without having a set agenda. Mr Busby left Costa Rica on Thursday morning. The U.S. Embassy did not say where he would go next.

Court Authorizes Hull's Release on Bail
PA1003231889 Panama City ACAN in Spanish
2133 GMT 10 Mar 89

[Text] San Jose, 10 Mar (ACAN-EFE)—The High Court of the Costa Rican Province of Alajuela has authorized the release of U.S. citizen John Hull, an alleged drug trafficker, upon the payment of 3 million colones (\$37,220) bail, Hull's lawyer Juan Jose Sobrado reported today.

A judicial authority told ACAN-EFE that as of noon today the lower court handling the Hull case had not received any confirmation that the bail had been paid.

Hull was tried in the San Carlos court for alleged involvement in hostile actions and drug trafficking. His release was granted on an appeal by the defense, which alleged that the defendant's poor state of health made it inadvisable for him to remain in prison.

Following his arrest Hull had been hospitalized in Costa Rica for heart problems, but after his recovery he was returned to jail.

The defense attorney said the San Carlos Court still has not ruled on another appeal filed against the court's order for Hull's detention on charges of hostile acts and drug trafficking.

According to the lower court, there is evidence the American provided weapons to anti-Sandinist groups and participated in the transfer of two shipments of drugs to his country between 1982 and 1986: one shipment of 1,000 kg and the other of 400 kg.

Regarding the charge of hostile acts, judicial sources said it was filed because Hull endangered Costa Rica by his aid to the contras.

Finance Minister Says IMF Softens Demands
PA1103042189 San Jose Radio Impacto in Spanish
1846 GMT 10 Mar 89

[Text] During the last few days the IMF has toned down its demands on Costa Rica because the government has insisted it cannot make any further fiscal adjustments other than the announced 8.5-billion colon adjustment.

Finance Minister Fernando Naranjo said additional budget cuts totaling 1.5 billion colones which were at first demanded by the IMF have been considerably reduced. Naranjo said the IMF authorities have recalculated their figures.

El Salvador

Duarte Address on Elections, 'Struggle'
PA1403040389 San Salvador Canal Seis Television
in Spanish 0230 GMT 13 Mar 89

[Speech by President Jose Napoleon Duarte in San Salvador on 12 March—live or recorded]

[Text] Good evening, Salvadoran people. As a citizen and as a leader [words indistinct]. All my life I have struggled for democracy, and the struggle has become even more intense during the last 10 years of our history as a result of the Salvadorans' high hopes. They have chosen struggle as the road on which to achieve freedom and safeguard peace [words indistinct].

God has always given me strength so that I did not lose heart in my efforts, and He has filled me with a deep faith so that I can continue to exert myself. The democracy that we built together now faces a difficult challenge, and the eyes of the world are on our country. The decisions adopted by our various political sectors will undoubtedly define the framework within which our homeland will advance into the future. Before I refer to current events, allow me to comment briefly on the historical process we have had to endure.

Our nation—plagued by injustice, deprivation, repression, dictatorships, and the fact that riches were controlled by a small group—fell prey to Marxist radicalization, which brought violence and the East-West conflict to our country. Ten years ago our country found itself isolated at the international level, facing an internal confrontation, full of uncertainty and facing a crisis that eventually led to the current armed conflict.

Given this somber outlook, the nation was offered another option: democracy as a system of life that would progressively free us from the claws of totalitarian options and, consequently, allow us to embark on the road toward peaceful coexistence and achieve economic, political, and social development. Unfortunately, this project of democratic revolution encountered mighty adversaries and enemies who attacked it constantly and mercilessly to keep the people from supporting it.

Nevertheless, the Salvadoran people believed and continue to believe in the project and have supported it even with their blood. Many obstacles still lie ahead, but we remain firm thanks to the ideal of building a society based on dignity for human beings and the common welfare and thanks to the ideal of replacing social confrontation with relationships between citizens within the framework of the state's democratic legal system.

We have seen with great satisfaction how the most critical aspects of democracy were born and developed. Freedom, a human being's most valued possession, can be exercised, including freedom of thought, freedom to organize, freedom of movement, freedom of education, freedom of participation, freedom of the press, freedom of individual and collective speech, and freedom to build one's own destiny and choose one's own leaders. God has blessed human beings with this gift.

Democracy is difficult to guide because it is easy to abuse the freedoms that it gives us. Democracy has been essential and indispensable since the beginning, and our struggle for democracy has helped us overcome isolation and criticism. We have received the support of the international community. Our homeland is now respected by other nations, and it has received political and economic support for its struggle to establish justice and liberty.

We should be optimistic when viewing the progress achieved by our policy of respect for human rights, which assures the nation that the state respects every citizen's rights, life, personal safety, and moral safety.

We have fought against death squads and kidnappers, as well as intolerant attitudes and abuses of authority, advocating instead an atmosphere of respect and [words indistinct] in the population. The Armed Forces have supported the enforcement of democracy and the common welfare with the legal framework of the state, thus stopping the FMLN from seizing power with weapons. The electoral process makes sense now and has earned the people's trust because they know that their will is respected. Every citizen knows today that the people are the only legitimate source of power. Politically speaking, we have offered opportunities so that all sectors can participate in the democratic process and all ideologies can express themselves, creating a firm political pluralism.

All this was achieved amid the harassment and attacks of the Farabundo Marti National Liberation Front [FMLN], which has destroyed a large part of our country's infrastructure and subjected it to a fratricidal war; generated violence and deaths among workers, women, children, and the elderly; prevented development; and worsened the country's economic crisis. This government has had to face the harshness of nature, which brought us three droughts, one storm, and one earthquake that caused irreparable damage to our agricultural production, housing, and public building infrastructure.

In addition, the lack of comprehension by certain powerful groups and prevailing selfish individual interests made it extremely difficult to guide the country along the path toward development and peace. Despite all this, we can still state that we have a homeland in which to live and forge a better future. El Salvador is on its feet, and it is strong enough to continue consolidating justice, democracy, and liberty. Peace is the ultimate goal of the nation and the government, and we have made an historic pledge to achieve it. Peace must be established in the country within an atmosphere and framework of democracy, liberty, and social justice.

Peace cannot be achieved as the result of selfish [words indistinct] and, consequently, peace cannot be achieved without democracy. Based on this concept and in accordance with my Christian principles, I have sought to achieve a solution through direct talks. In our quest for peace, we have participated in a dialogue with the FMLN in different parts of the world: Germany, Peru, Mexico, Panama, Guatemala, Costa Rica, Venezuela, Colombia, the United States, and right here in La Palma, Ayagualo, Sesori, and at the nunciature.

We have tirelessly sought various solutions to the conflict. We have talked more than 15 times in one way or another. We have to strengthen democracy to create a system in which we can all live in peace. We have worked to humanize the conflict, and we have issued amnesty laws so that pardon and forgiveness can become the norms of a new social life and lead us to a national reconciliation. The only responses we have received so far have been attacks, kidnappings, assassinations, destruction, and all kinds of terrorist violence.

Nevertheless, I will not weaken in my struggle for peace. I have voiced my concern at regional forums so that stability and harmony can prevail in Central America. Esquipulas II is a memorable event in the search for peace, and it provides the mechanisms that allow the FMLN to halt its violent struggle and join the nation's political and civil life. In sum, we have created a different scenario that has begun to bear fruit and has resulted in the latest events within this historic period.

Under these circumstances, the FMLN presented a proposal that I initially rejected because it contained a simple offer regarding the elections while allowing the

war in our country to continue. However, when the FMLN said in Mexico that it was willing to definitively cease its armed struggle, join the political activities in the country, and recognize the existence of a single Army, we saw—for the first time in the conflict—that the FMLN would accept the elections and the ballot as an expression of the people's sovereignty and as the very essence of political power. This implies, necessarily, giving up the use of force and weapons and abandoning the latter forever.

The expanded FMLN proposal and the political parties' position—stated in the declaration of Oaxtepec, Mexico in which they, quote, jointly pledge to review the FMLN proposal in a general manner and to offer their help in whatever way necessary within the efforts to achieve peace, unquote—represented an opportunity, and it allowed me to reconsider the proposal and begin new efforts to settle the conflict. Thus, on 26 February I issued a peace proposal with the sole purpose of achieving a peaceful solution.

My proposal sought to allow what the FMLN had proposed; namely, to end the conflict, join the country's political life, and recognize a single Army through peace talks and an open agenda. In an attempt to make the proposal more viable, I said that both the FMLN and the government should announce unilateral cease-fires prior to the talks. The government implemented a cease-fire on 28 February, but the FMLN failed to do so. I also asked the political parties and various government organizations to do whatever was necessary—within the constitutional framework—to postpone the elections until 30 April, thus giving the peace talks an opportunity to achieve positive results.

I appointed the vice president of the Republic and the defense minister himself to assemble—on behalf of the Executive Branch—a government commission to carry out the peace talks. The legislative branch delegates were not appointed until 8 March, and the very next day the FMLN decided to postpone the peace talks and to hold them after the 19 March elections. Serious efforts to achieve peace within political and constitutional guidelines have been made. The process must be irreversible because it has reached the point where we cannot and must not go backward. The course must be oriented toward the achievement of peace. The struggle for peace cannot be abandoned through excuses or deceit.

The responsibility of waging the struggle and sincere efforts in pursuing the goal of this struggle require our immediate attention. We are willing to begin talks right now. The people are tired of the conflict. They want to live in peace, to work and enjoy their rights and development with the assurance that their lives, the lives of their relatives, and their possessions will be respected. This is the peace that the people want and that the homeland demands.

The basis of the peace proposal I recently issued—which has been fully supported at the international level—and the people's mass participation on 19 March will turn the elections into an authentic referendum for peace. The referendum will result in an overwhelming yes for peace, and it will require the winners and all the people to wage a courageous struggle until they achieve the ultimate goal. Our Constitution specifies that the people have the right and the duty to vote. This has particular importance in this decisive chapter in our history, and the people must do their duty. The people must do their patriotic duty and vote to defend the results achieved through a long and ferocious struggle. The people have a moral obligation to vote within a social framework.

We must bear in mind that these are not only elections for choosing a new president and vice president. The vote is a human right and a supreme obligation for the new leaders. They must continue, respect, and safeguard the democratic process, human rights, and the people's welfare to achieve peace, freedom, and stability. Therefore, I sincerely renew my appeal to the FMLN, urging it to join once and for all the democratization process that is now part of our history and to prove to the Salvadoran people and the whole world that it truly wants to achieve peace.

I support the appeal issued by the political parties—including the Democratic Convergence and the UDN [Nationalist Democratic Union]—urging the FMLN to suspend the transportation stoppage so that the people can freely travel from one place to another on 19 March and choose their leaders without fear or anguish. This is a critical moment for democracy, and I ask friendly governments to mediate to convince the FMLN to withdraw its threats to the electoral process. I particularly issue this request to the presidents of Spain, Mexico, and Venezuela—who have constantly stated their concern regarding the political situation in El Salvador—so that they will attempt to make the FMLN representatives understand how unjust and antidemocratic their attitude is.

I issue a similar appeal to international organizations, the UN, and the OAS—particularly the Human Rights Commission and, of course, Amnesty International. I issue an appeal to Nicaraguan President Daniel Ortega, who signed the Esquipulas II agreements and the agreements in San Jose, Alajuela, and Costa del Sol, urging him to help—within the context of the Central American spirit and historic regional pledges—so that the FMLN does not carry out its irrational threat.

I formally appeal to the socialist parties of the world; I urge them to dissuade the FMLN from carrying out its plans to undermine the upcoming elections. I petition His Holiness Pope John Paul II so that, with his humble but convincing words, he may persuade the FMLN leadership to give up violence and allow Salvadorans to

build peace—as he so eloquently and fervently requested when he blessed our land during his unforgettable visit to El Salvador on 6 March 1983.

I issue the same petition for nonviolence to the Salvadoran church, particularly to Msgr Arturo Rivera y Damas and Msgr Gregorio Rosa Chavez, who have demonstrated throughout the conflict an undeniable willingness to attain an agreement among men of goodwill. I courteously invite the international community—which has shown great interest in our country's political, economic, and social events—to witness the historical events of 19 March. Their presence will attest to their permanent concern for the developments in this bloodied homeland. This is a valuable occasion for the community—which has legitimized and ascertained, through impartial observers, the five democratic elections that have taken place in El Salvador during the last 7 years; and which has also stated its rejection of all forms of violence—to ask the FMLN to give up its armed actions against the Salvadoran people; and ask it to understand that a democratic life is the peaceful method to resolve the people's social deprivations and political frustrations.

I wish to emphasize that, as long as God Almighty will allow me, I shall continue my struggle in support of the people, justice, democracy, and peace. Once more I urge you, dear fellow citizens, to join me so we may all face the irrational challenge of violence; and so that, based on our civic convictions and democratic faith, we may strengthen the political process that will give us the satisfaction of achieving peace with liberty.

Salvadoran people, the government will use all its resources through the appropriate channels to allow and guarantee the people's right to vote. I ask you not to deprive anyone of actively participating in this civic event on Sunday, 19 March. Together we have overcome many difficult obstacles in our nation's struggle for democracy. Together we must take this new step to strengthen our democracy.

Allow me to remind you that democracy is not easily achieved. Democracy is achieved with a lot of work, effort, and sacrifice. Democracy is the system that allows us to act freely, with respect for other people's rights. Democracy is the only legitimate way to attain justice. Democracy is, in sum, the only way that can lead us to achieve peace for everyone. Therefore, I appeal to the citizens who are working in the election process; I urge them to participate in the 19 March elections with their presence and vote, to consolidate democracy and take a new step toward achieving peace in our nation.

Salvadoran people, thank you and may God bless you.

Vides Casanova on Arrests, Role of Armed Forces
PA1403052789 San Salvador TCS Television
in Spanish 0300 GMT 13 Mar 89

["Message to the nation" by Defense and Public Security Minister Carlos Eugenio Vides Casanova; place not given—live]

[Text] Salvadorans: We are on the verge of a new election process. The Salvadoran people are about to elect a president and a vice president who, according to our Constitution, will rule the nation's destiny for the next 5 years. The Salvadoran Armed Forces, loyal to their sacred oath and facing the reality of a fatherland attacked and affronted by terrorism, hereby reaffirm their solemn commitment to defend the fatherland, even at the cost of the lives of all their members.

The Salvadoran Armed Forces' current mission—their past and present struggle against the enemies of democracy and their members' heroic actions—has shown that they are determined to confront an inhumane aggression imposed on the Salvadoran people from abroad. We are aware of our members' military capabilities and of our (?active) forces' ability to face totalitarian aggression. We have the force of law and the Constitution on our side. We also have the support of all our people who, along with us, desire peace.

The Salvadoran Armed Forces have democratic convictions and act on the basis of respect for human rights. They have, therefore, together with the government, agreed to exhaust all possibilities within the realm of reason. They have agreed to solve the nation's problems by replacing armed aggression with an election process, a mechanism used by democratic and civilized nations to resolve their differences.

In this endeavor, the Salvadoran Armed Forces receive their moral strength from the people and from the undeniable patriotic and democratic spirit expressed while fulfilling our just mission. The Salvadoran Armed Forces have given their total support and protection not only to the election processes of past years, but also to the pardon and amnesty laws aimed at recovering, through the use of reason, those who were intoxicated by violence and terror so that they can, in a worthy and constructive manner, join a society based on democracy and respect for the basic rights of man.

Salvadoran people, the members of the Salvadoran Armed Forces have sworn to give their lives and blood in the defense of the homeland and territorial integrity and have sworn to protect the lives and property of the people and enforce the law and the Constitution. In doing this, we seek justice, we walk toward peace, and as each day passes, we further consolidate democracy.

The members of the Salvadoran Armed Forces are sure they will triumph over violence and terror because they fight with the law on their side and with the support of

the people. The terrorists, on the other hand, threaten the people who want to exercise their right and duty to vote because they, the terrorists, do not want democracy to consolidate itself; they do not want us to achieve peace, nor do they want the Salvadoran people to build a more just society based on respect for the law and the Constitution.

To respect and enforce the rights of the citizens to express themselves with their vote, the Salvadoran Armed Forces have developed specific plans to protect the people from the threats of the enemies of democracy. Because of their apolitical and institutional nature, the Salvadoran Armed Forces have remained and will remain removed from all political activity. They have offered protection to all the legally registered political parties without exception, because only in this way will the constitutional precept that states that power is in the hands of the people and is expressed through the political parties be respected.

Salvadoran people, this same institutional nature of the Salvadoran Armed Forces explains the actions of all its members. They act with unrestricted respect for basic human rights. The Salvadoran Armed Forces act in accordance with the law and the Constitution. They do not support or protect those who have been involved in criminal acts, and, as a rule, will seriously investigate all reported cases to establish responsibilities and, when guilt is established, hand the wrongdoers over to the appropriate authorities.

As an example, I wish to mention that following an investigation into the deaths of 10 people in San Francisco Canton, San Sebastian Jurisdiction, San Vicente Department in September 1988, the Armed Forces has determined that those persons were involved in subversive activities, that their deaths were not the result of a terrorist ambush, and that this action was a serious violation of the normal procedures established for the arrest of a person by members of the Army. The administration of justice in this case falls into the hands of the judicial branch. Therefore, the Salvadoran Armed Forces will submit the results of its investigation to the courts and will hand over Major Mauricio de Jesus Beltran Granados, discharged from the 5th Infantry Brigade; Sublieutenant Arnoldo Vasquez Alvarenga, two subsergeants, a corporal, and four privates who have been discharged from the Jiboa Battalion, 5th Infantry Brigade. This further confirms that the Armed Forces are bent on fulfilling their constitutional duty, abiding by the law, and fully respecting human rights.

Salvadoran people, this institutional attitude is only possible when the members of the Salvadoran Armed Forces are strongly united in the defense of peace and democracy and when all the members are fully aware of their duty and obligations. Therefore, as a soldier and citizen I wish to take this opportunity to greet the chiefs, officers, and rank and file who, from the trenches of

honor, courage, and justice, are an example of unselfishness, sacrifice, and bravery in the defense of the homeland and our freedoms in light of the terrorist aggression. To all of them, today and always, our deepest recognition and respect for making our beloved Armed Forces an institution that, like the illustrious patriot [not further identified] said, will live as long as the Republic lives.

Brave soldiers of the homeland, wherever you may be fulfilling your mission, rest assured you are a source of inspiration for the Salvadoran Armed Forces; you help them preserve their dignity and institutional courage. Accept my admiration and respect; your small deeds and huge sacrifice enhance all the members of the glorious Salvadoran Armed Forces.

Salvadoran people, the Salvadoran Armed Forces wish to note the unrenouncable mission of all its members. If necessary, we will give our lives to achieve peace, respect, and justice to consolidate democracy and build that more worthy and humane society we all hope for. While others only speak of peace, we, as soldiers, die for it. Honoring our sacred vow made at the altar of the homeland, we, the members of the Salvadoran Armed Forces, understand the thirst for justice of the Salvadoran people because we are of the people through our parents, brothers, and children, and because as soldiers we come from the people and will return to the people. This gives us the strength to go forward in the defense of our ideals. We understand the sacrifice that the government, Armed Forces, and the people must make to achieve peace, contribute to the recovery of our economy, enjoy a worthy and just life, and achieve a free society that our children and new generations will inherit.

For this reason, and because we are all determined to strengthen the democratic ideals within a new dimension of group dignity, the Salvadoran Armed Forces call on all the Salvadoran people so that together with the international observers they can become the best witnesses of our efforts to achieve peace and consolidate democracy. You and the international observers must be witnesses of our absolute removal from political activity.

Salvadoran people, on behalf of the Salvadoran Armed Forces I wish to invite everyone to do his duty, without fear and with the heroism proved in the past, on 19 March. Cast your vote freely and choose the candidate you feel will best serve your interests and aspirations. The Salvadoran Armed Forces wish to advise the Salvadoran people and the representatives chosen by the people that we are sure we will triumph over violence and terrorism. Our nation is in conflict and it is being attacked; therefore, this triumph will be meaningless if, as people and nation, we are not fully aware of the responsibility that a total and absolute triumph over terrorism and violence, a triumph over the enemies of the democracy, entails. This triumph can only be achieved with the casting of the vote.

In the past, the Salvadoran people chose their representatives by casting their free vote, and it will be with a free vote that the people will choose their next president. The political parties share responsibility for this. Despite their normal differences as a result of the ideologies they support, the political parties are united in a single purpose: to achieve a spiritual and existential peace for our nation and people, and in consolidating the bases of a new homeland given life from the breath of democracy and supported by the pillars of justice, freedom, and respect for the basic rights of man. In defense of these ideals, and in the defense of this right and the aspirations of the Salvadoran people, we members of the Armed Forces have committed our honor, lives, and blood.

Duarte, Vides Casanova Appeals Ridiculed
PA1403022289 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0040 GMT 14 Mar 89

[Station commentary: "Two Men Crying Together on a Single Night"]

[Text] Jose Napoleon Duarte and Eugenio Vides Casanova chose the same night to cry together. It was a night when they felt weak and defeated. Duarte cried over the birth of a new democratic and revolutionary power in El Salvador. This new democratic and revolutionary power has definitely vetoed the counterinsurgency plan. Duarte appeared in public last night to recognize the power of the Farabundo Marti National Liberation Front [FMLN]. He tried to defend, with empty political words, what the U.S. plan could not defend militarily. In this attempt, Duarte called on everyone from the pope to [Spanish Prime Minister] Felipe Gonzalez.

Vides Casanova did not want to be left behind. He also made a dramatic appearance on a national network. With tears in his eyes and his hair nicely combed, he asked the soldiers and officers to understand and forgive him for ordering the trial of the subordinates who were involved in the San Vicente massacre. This was something he had to do because the gringos, who are paying for the music that the Armed Forces dance to, demanded it.

In other words, the question everyone asked following Duarte's televised statement was: If the counterinsurgency plan is as weak as Duarte and Vides Casanova claim, why will they not negotiate a political situation to the conflict?

Last night was a night for crybabies, a night for two poor men who leased their homeland and who today are experiencing the agony of defeat because the system they support can no longer fight the progress being made by the people's power.

Duarte To Undergo New Chemotherapy Treatment
PA1303215689 Panama City ACAN in Spanish
2138 GMT 13 Mar 89

[Excerpt] San Salvador, 13 Mar (ACAN-EFE)—Salvadoran President Jose Napoleon Duarte's doctor Benjamin Interiano has told ACAN-EFE that Duarte will undergo additional chemotherapy for liver cancer this week, on the eve of the Salvadoran presidential elections.

The new chemotherapy treatment—to alleviate Duarte's terminal cancer—will begin a few days before the elections, in which 1.8 million Salvadorans are slated to elect a new president.

Interiano said blood tests were taken early this morning to evaluate how Duarte's liver is functioning and his overall state of health.

The doctor added that a medical board will meet tonight to analyze the condition of the 63-year-old president and to set the date for the chemotherapy treatment.

Interiano said the chemotherapy may take place Tuesday or Friday, and that "everything depends on the condition of his stomach, which is what troubles him the most after the treatment."

Interiano said the chemotherapy will last 5 days, like the previous treatments.

The doctors will also evaluate the results of the chemotherapy that Duarte underwent 3 weeks ago. [passage omitted]

More on Investigation of Soldiers, Massacre
PA1203185589 San Salvador LA PRENSA GRAFICA
in Spanish 10 Mar 89 p 3

[Text] Military sources of the 5th Infantry Brigade have confirmed that three officers, three soldiers, and one corporal are under arrest and are being investigated in connection with the murder of 10 peasants in San Sebastian Jurisdiction, San Vicente Department.

The same sources reported that Major Mauricio Beltran Granados of the 5th Brigade intelligence section and Sublieutenant Arnoldo Antonio Vasquez are under arrest at National Guard headquarters.

The military sources said Lieutenant Manuel Galvez is under arrest at the Treasury Police pending a thorough investigation to determine the involvement of the 3 officers in the massacre of unknown circumstances of 10 peasants, including 2 women, in San Francisco District, San Sebastian Jurisdiction, San Vicente Department.

Also, three soldiers and one corporal belonging to the same brigade were arrested in connection with the massacre and placed under the orders of San Sebastian Judge Ediz Alcides Guandique, who, together with U.S. Embassy officials, confirmed the officers' arrest.

Officials Hope To Increase Election Observers

PA1103145889 San Salvador Canal Doce Television
in Spanish 0300 GMT 10 Mar 89

[Text] This morning the Legislative Assembly, the foreign minister, and the president of the Central Electoral Council [CCE] agreed to increase the number of international observers at the next elections to guarantee impartial and pluralistic supervision. The agreement had been proposed by ARENA [Nationalist Republican Alliance] deputies. At Wednesday's Legislative Assembly session, they proposed that the political pluralism of the international observers and political representatives be broadened to avoid biased reporting by observers partial to the governing party.

Foreign Minister Acevedo Peralta and CCE President Ricardo Perdomo said that the number of international observers could be increased as long as the Legislative Assembly approves emergency funds to cover the additional expenses.

[Begin Acevedo Peralta recording] I want to reiterate that we are in favor of bringing in as many observers as possible. We want to secure the necessary resources for that. We actually have the necessary resources already. The deputy foreign minister and Mr Perdomo will explain how the invitations are being handled and how the resources are being managed. We want to receive as soon as possible a list from political parties so that we may send invitations to the various figures the political parties wish to designate—all this, of course, within the limits imposed by our resources, unless the Legislative Assembly finds it appropriate to give us some sort of additional economic aid to increase the number of observers. There is a direct relationship between the number of observers and the amount of support. [end recording]

[Begin Perdomo recording] I applaud the initiative of promoting the participation of the political parties and of having observers from all political tendencies and ideologies. I am in favor of the participation being as pluralistic as possible. The participation should not include only observers invited by institutions or the government. The representation of all political tendencies of friendly countries interested in observing the Salvadoran elections should be encouraged. [end recording]

The Foreign Ministry has AID [Agency for International Development] funds totaling 1.5 million colones to cover travel costs and other expenditures incurred by the team of international observers. The foreign minister

said that there will be more than 300 observers, who will fall into three categories: official representatives of invited governments, invited political leaders, and prominent figures.

It was agreed during the meeting that the political parties will present to the Foreign Ministry a list of people—no more than 10 per party—who should be included in the Foreign Ministry's list of observers. Delegates from the EC, the Latin American Parliament, and regional electoral tribunals have been invited to observe the elections. They would stay in the country until the vote tabulation is completed.

Electoral Council Chief on Elections, Violence

PA1003222389 San Salvador Canal Doce Television
in Spanish 1900 GMT 10 Mar 89

[Report by Mauricio Funes]

[Text] Central Electoral Council [CCE] President Ricardo Perdomo said this morning that it was not possible to change the election date now that there are only 9 days left to go. He said proof of this is that the political parties have exhausted all possibilities in that respect:

[Begin recording] As the CCE, we are prepared with all contingency plans to hold the elections on 19 March. The Salvadoran people must understand that all initiatives and efforts to have the elections in peace and without bullets have been exhausted. Some agreements to end the conflict should really be sought. Toward that goal, serious thought was given to changing the elections date, but all that is now finished; it is finished. As I said before, there was progress in some things, while in other things there was not much progress. However, the fact is that the elections will be on 19 March. [end recording]

According to Perdomo, the Farabundo Marti National Liberation Front [FMLN] warning and its appeal on 8 March for voters to abstain are a new element compared with previous elections. He said it is one thing to sabotage the country's electricity and communications infrastructures—something that indirectly affects the development of the elections—and it is something else to [word indistinct] the election process. Perdomo senses a significant change in the FMLN's view toward the country's current political process. He thinks the FMLN will be watching the results of the first round, and one can expect that the FMLN will redefine its proposals if there is a run-off election:

[Begin recording] I think the FMLN will boycott the elections, as they have usually done. However, I do think there will be an attack on the people to frustrate the elections. I think and believe—based on the talks with the FMLN and on its remarks and proposals—that the FMLN is seeking a political solution as soon as possible. To a certain extent, it is forsaking confrontation and war patterns because it is seeing that political understandings

are being fostered and strengthened. The FMLN logically has to find an honorable solution to the conflict. Frankly, I think it would be a mistake to politically block the FMLN. Instead, I think we should be finding a solution. The only way is through negotiations, reaching agreements, and holding talks and meetings. [Words indistinct] that clear viewpoint.

Therefore, that is why I feel the FMLN—and this is most important—has entered the Salvadoran political and democratic process. If it has done that through a lot of effort, then other kinds of actions which they had totally ruled out come into play. [end recording]

Perdomo did not rule out the FMLN's seeking to participate through pacts and alliances, which often happen under the circumstances of a run-off election. However, the CCE president said the government, the Army, and his agency are prepared to counter any development that may arise from the FMLN's announced intentions. He said that on 19 March all government vehicles will be at the service of the CCE to transport voters to polling places. He hopes the abstention rate will be very small, not going over the 20-percent figure noted in previous elections. He said 6,300 voting boxes have been distributed throughout the country to ensure that the 1.834 million people registered in the elections lists can cast their ballots. Regarding San Salvador Municipality, many major voting places have been established at Roosevelt Drive, Independence Avenue, Bolivar Park, Centenary Park, Liberty Square, INFRAME [expansion unknown], and the Rome neighborhood's Technical and Industrial Institute.

Police To Arrange Special Security for Voters
PA1103163489 San Salvador EL MUNDO in Spanish
9 Mar 89 p 15

[Excerpt] At the final session of the course entitled "Investigation of Vehicle Theft" yesterday, Colonel Carlos Mauricio Guzman, National Police director and head of the San Salvador Police Force, reported that the police have devised a special plan to ensure that all citizens will be able to vote. The plan, drafted in accordance with Armed Forces High Command instructions, will be implemented throughout the country before, during, and after the 19 March elections.

Col Guzman said that he has learned about the Farabundo Marti National Liberation Front's plans to impede the election process through marches and rallies and by spreading rumors to make the people afraid to go out and vote. The police chief said that the Army will guarantee order and added that the special security plan's first actions will be carried out this week. [passage omitted]

Explosion Destroys Santa Tecla Elections Office
PA1403040589 San Salvador Canal Doce Television
in Spanish 0315 GMT 14 Mar 89

[Text] The Central Electoral Council [CCE] offices in Santa Tecla were completely destroyed early today in a dynamite attack.

An explosive device was detonated near the CCE offices in Santa Tecla at about 0500 today. The resulting shock wave destroyed part of the building, the roof, and the equipment used by more than 60 people engaged in the preparation for Sunday's elections.

[Begin recording] [Unidentified official] It was basically a department-level office dealing with voter registration and the issuance of voting cards.

[Reporter] Were any documents damaged?

[Unidentified official] A minimum quantity were damaged when a water pipe broke and the papers got wet. The documents are drying now. Some furniture was damaged: two desks, one filing cabinet, one typewriter, several chairs, and some benches. [end recording]

The CCE office was located on 9 West Street in Santa Tecla, a few blocks from the mayor's office. Fortunately, there were no CCE employees in the office at the time of the attack. This is one of the first attacks on CCE installations since the FMLN warned that it would boycott the work of the elections organization, particularly the departmental and municipal elections boards.

Ungo Criticizes FMLN Call for Boycott
PA1303231589 Panama City ACAN in Spanish
2233 GMT 13 Mar 89

[Text] San Salvador, 13 Mar (ACAN-EFE)—Guillermo Ungo, presidential candidate for the Salvadoran left, today criticized the rebels' call for people to boycott the upcoming 19 March elections.

Ungo, presidential candidate for the Democratic Convergence [CD] and vice president of the Socialist International, stressed that the people "must vote" and described the call for a boycott from the Farabundo Marti National Liberation Front [FMLN] a "mistake."

"The FMLN is making a mistake," Ungo said during a television interview. "A void ballot might mean the elections will be decided on the first round, and this would favor ARENA [Nationalist Republican Alliance]." Ungo added.

Ungo criticized the FMLN's "ambivalent attitude." The FMLN has been urging the people to refrain from voting or to cast a "void" ballot in Sunday's elections.

During the interview, Ungo blamed the rightist sector and the government for the failure of the negotiations and accused them of closing the door on the FMLN's opportunity to participate in the elections.

The Salvadoran left-wing candidate said: "(The guerrillas') chances of peacefully participating in the elections were rejected."

He condemned "ARENA's inflexible position of denying the people a chance of achieving peace" and said this attitude, together with that of the PDC and the government, "leads us to war."

The presidential candidate said the 19 March elections will take place "with acts of war" but expressed his hope for a possible suspension of "the election day transportation stoppage" that was decreed by the guerrillas.

During the last few days the guerrillas have announced measures to interfere with the elections, including interfering with transportation, blowing up electric installations, and issuing death threats against election officials.

The CD asserts that it will garner 10 percent of the "declared votes" and may even get "up to 40 percent," keeping in mind the large number of people who, in Guillermo Ungo's opinion, are keeping their preferences secret.

According to the polls, ARENA candidate Alfredo Cristiani is the virtual winner of the elections, followed by PDC candidate Fidel Chavez Mena and Ungo.

Regarding the possibility that the CD will support the PDC in a runoff election—in the event no party wins an absolute majority on March 19—Reni Roldan warned that "we will not negotiate a government; we are not after political payoffs."

MPTL Urges People To Avoid Voting

PA1003145589 San Salvador Radio Cadena Sonora
in Spanish 1700 GMT 9 Mar 89

[Report by Alexis Diaz]

[Text] During a news conference, leaders of the Bread, Land, Work, and Liberty Movement, MPTL, have said that in view of the political parties' and government's refusal to postpone the elections—a postponement that could contribute to the search for peace, as the Farabundo Marti National Liberation Front [FMLN] General Command has said—the 19 March elections will only worsen the war. The MPTL leaders said all Salvadorans must not vote and must not support any political party registered with the Central Electoral Council.

[Begin recording] [Unidentified MPTL leader] [Word indistinct] that the legally registered political parties have not contributed to turning the elections into a process leading to peace and have not reciprocated the spirit of the FMLN's 23 January proposal. They played demagogic games. They are closing the doors to a political solution through the elections.

We, as political representatives of the workers, must state our position in view of that refusal. We call on all of our country's social classes to refrain from participating and voting in the 19 March elections. We call on them to

refrain from voting even if they plan to vote for the Democratic Convergence. In other words, our call is for you not to participate in the elections. [end recording]

After asking the Salvadoran people not to vote on the 19 March elections because several groups refused to negotiate the postponement of the elections, the MPTL presented a series of considerations on which it based its request:

[Begin recording] [Unidentified MPTL leader] 1. The factor that characterizes the current process of national [word indistinct] is the presidential elections, which could have been a contribution to peace if the right-wing groups had overcome their tremendous [word indistinct] and accepted the FMLN proposal.

2. After the Armed Forces rejected the FMLN proposal, the spokesmen of the various right-wing parties started a series of verbal tricks to try to express their rejection of the FMLN proposal, but without daring to directly reject the proposal, [words indistinct] thus ducking responsibility for the consequences of that rejection. That position corresponds—as usual—to the selfish interest of each of the right-wing groups and to the [word indistinct] as a whole. In a hypocritical manner, they cover their actions with so-called respect for the Constitution.

3. Duarte's counterproposal, the same one the Christian Democratic Party [PDC] presented in Mexico—which was rejected by the other political parties—is in fact a refusal to postpone the elections until September, which is an essential point in the FMLN proposal. The PDC, however, plays with facts. The PDC accuses the Nationalist Republican Alliance [ARENA] of working slowly in the Legislative Assembly and of other [word indistinct] maneuvers. The Armed Forces then declare a unilateral cease-fire, which is neither serious nor valid, because it is not the result of a negotiated agreement.

The regime wants international support to establish a false democracy in the country; a false democracy in which there are human rights violations. That democracy is in fact a decaying dictatorship that sees its end coming fast.

4. Recently, the right-wing political parties—specifically Legislative Assembly President Ricardo Alvarenga, who is an ARENA leader—said they will not accept the postponement of the elections past 19 March. In other words, they are rejecting the opportunity offered by the FMLN proposal to seek peace. [end recording]

In view of those considerations, the MPTL asserted that the March elections will only serve to legitimize the implementation of the U.S. Government counterinsurgency plan, which has the Salvadoran Government's support. The MPTL called on the parties to withdraw their presidential candidates so the elections will be postponed.

Similarly, the MPTL called on all its labor unions to say no to the upcoming elections and to urge people to exert pressure for postponing the 19 March elections, because these elections will only bring more misery, repression, hunger, pain, and violence.

The MPTL leaders added that all presidential and vice presidential candidates have their own interests in mind, not the welfare of the entire Salvadoran population.

[Begin recording] [Unidentified MPTL leader] The right-wing political parties have tried to profit from the FMLN proposal and to use it to reach power. The Constitution itself establishes that parties cannot use a desire for peace to satisfy their own ambitions and to reach power.

What those parties and all parties are proving is that they simply want to reach power through the 19 March elections. We wonder, however: What do they intend to do for the people? To [words indistinct].

We disagree with the 19 March elections, and for that reason we are making this call. We want people to face these elections, and to face them is not to vote; it is to [words indistinct] based on [words indistinct]. Our labor organizations must make efforts to stop these elections because—as our comrade said here—those elections intend to support the counterinsurgency plan. They will bring hunger, war, malnutrition, and death.

[Reporter] [Question indistinct]

[Unidentified MPTL leader] Actions are carried out here in accordance with what the people want; the main thing here is that these elections mean death. These elections mean death, and the people do not want death. The people must use their creativity and intelligence to stop the counterinsurgency process that the U.S. and Salvadoran Governments have brought into our country. We can carry out many activities, and the people will choose what activities they want to carry out. [end recording]

The MPTL leaders stressed that the refusal of the right-wing political parties and groups to negotiate the postponement of the March elections with the guerrilla movement is legitimizing and justifying people's actions and the people's search for peace through various forms of struggle. That refusal is opening the way for a general rebellion to create a democratic and popular government, since other means to reach that goal have been blocked.

PDC Says FMLN Actions Help ARENA
PA1003145389 San Salvador Canal Doce Television
in Spanish 0300 GMT 10 Mar 89

[Text] Christian Democratic Party [PDC] leader Roberto Viera today said the violent actions the guerrillas are planning for 19 March will benefit the Nationalist Republican Alliance [ARENA] because the actions of the

Farabundo Marti National Liberation Front [FMLN] will take place in the San Salvador neighborhoods where most of the people who will vote for the PDC reside.

PDC leaders Antonio Morales Ehrlich and Viera said the FMLN will carry out violent actions in the most populous sectors of the capital on 19 March to prevent PDC members from voting. This would benefit ARENA, polarize the conflict, and enable the FMLN to eventually achieve power by military means.

[Begin Viera recording] If ARENA wins the elections, this will benefit those who want the armed struggle to be polarized. There will be many violent actions on 19 March. You will see the FMLN try such actions in rural areas and stir up trouble in the poorest urban sectors in the capital, where the people who will vote PDC live. I am sure the rebels will stir up trouble in Suchitan and Soyapango, for instance. I do not think the guerrillas will be active in Escalon and San Benito. The FMLN will try to prevent people from voting PDC. But we believe the people, particularly those who will vote PDC, will again show courage. The FMLN is not threatening the ARENA rank and file or leaders, but the PDC rank and file. [end recording]

Viera also said San Salvador Mayor Armando Calderon Sol, by refusing to let the PDC celebrate the end of the election campaign, shows he opposes the democratic process. Viera said that despite this opposition the elections will be held.

[Begin Viera recording] Violence is occurring and private property is being destroyed in El Salvador, but the mayor neither dissuades nor punishes those who commit violence. However, when we requested permission to hold a rally without violating the elections law, the mayor said no because, he said, we would create a traffic problem. In addition, we have learned that ARENA will hold four marches on Saturday, creating a tremendous traffic problem. And yet Calderon Sol says nothing. This is a sure sign that he opposes the democratic political process and that he intends only to hinder a legal PDC activity. [end recording]

Finally, PDC leaders denied they are planning to form a coalition with the Democratic Convergence, as Colonel Sigifredo Ochoa Perez asserted. PDC leader Morales Ehrlich said Ochoa is trying to confuse the voters.

Honduras

Leaders' Reactions to 'Brady Plan' Reported

President Azcona: 'Positive'
PA1403034389 Buenos Aires REUTER in Spanish
0238 GMT 14 Mar 89

[Text] Tegucigalpa, 13 Mar (REUTER)—A Honduran official spokesman today reported that the Honduran president feels that the Brady plan, which proposes writing off approximately \$900 million of the Honduran foreign debt, is positive.

Last week Washington proposed to multinational credit agencies and international banks a reduction of the debts of Latin American countries.

Commenting on the so-called Brady plan, a presidential spokesman said that President Azcona views it positively.

The spokesman said: "This initiative is beneficial because the debt service is a great burden on our country's development. We are using more than 30 percent of export revenues to service the debt."

According to the Honduran official, if the 30-percent debt-reduction figure is used—as has been unofficially mentioned—this would represent an approximately \$900 million reduction in the \$3.2 billion owed by Honduras.

Presidential Designate Critical

PA1303172689 Tegucigalpa Voz de Honduras Network
in Spanish 1145 GMT 13 Mar 89

["Exclusive interview" with Presidential Designate Jaime Rosenthal Oliva by unidentified reporter on 13 March; place not given—recorded]

[Text] [Reporter] This morning we talked with Presidential Designate Jaime Rosenthal and asked him about the plan presented by U.S. Treasury Secretary Nicholas Brady during a news conference in the United States regarding the possibility of forgiving part of the Third World countries' foreign debt. Good morning, Mr Rosenthal. What can you tell us about that proposal?

[Rosenthal] I have read information regarding the proposal presented by U.S. Treasury Secretary Brady. In my opinion, there are very few possibilities for that proposal to turn into a reality. The idea of the proposal is to forgive approximately 30 percent of the Latin American foreign debt. That percentage is about \$120 billion.

The main point of the proposal is that insofar as that amount of money is forgiven, they [not further identified] want the IMF to assume control of the debt so that the remaining 70 percent of the debt is paid off.

The Brady plan does not really apply to Honduras, because our foreign debt with commercial banks is barely \$200 million, so therefore they would forgive approximately \$6 million of that debt. That figure would not really have any effect on our country. Approximately 92 or 93 percent of the Honduran foreign debt is owed to multinational institutions such as the World Bank and the IDB [Inter-American Development Bank], and to European countries such as France—to which we owe a significant amount of money—and Switzerland, and Japan. In the Brady plan, the pardoning of a portion of the foreign debt is limited almost exclusively to the money owed to commercial banks. In our case, that debt is not very large.

[Reporter] Some governments, including the Japanese Government, have said that they have agreed to reach an agreement such as the one proposed—or that will be proposed—by Brady. Would it benefit our country if Japan agrees to present a similar plan?

[Rosenthal] For some time—more specifically, since the most recent IMF meeting held in September 1988—Japan has been exerting pressure to forgive a portion of the debt. Japan said that countries with more resources, especially Japan, would help other countries pay off the debt. The Japanese position was not welcomed and in particular the United States did not welcome this because the United States is very afraid that U.S. taxpayers will end up paying the foreign debt to the commercial banks.

Japan is at present the world's second-ranked economic power and the world's first-ranked power regarding the production of foreign exchange, since Japan has enormous foreign exchange reserves and has the largest favorable trade balance compared to other countries, including the United States. Undoubtedly, Japan has a significant influence in the creation of any support programs for debtor countries. Any program dealing with the foreign debt needs Japanese support to be successful.

[Reporter] Venezuelan President Carlos Andres Perez distrusts the Brady plan. He said that the plan is not a solution for the Third World and especially for the most indebted Latin American countries, which are Mexico, Venezuela, and Brazil. What do you think?

[Rosenthal] I agree with President Perez. The truth is that Latin American countries have not been paying off their debts, although everybody says they are paying them. Mexico has not been paying off its debt. Latin American countries have been paying off interest to receive additional loans. The truth is that this new program forgives 30 percent of the debt but forces all countries to pay the remaining 70 percent of the debt or else stop receiving additional aid. If that is the case, we believe that the aid received by Latin America would be reduced, because although the debt would be smaller, the payments would have to be made, and the flow of capital going to the creditor countries would increase.

In my opinion, the problem would worsen, especially in Latin America, because interest rates are going up and all the loans granted by the commercial banks are at floating interest rates set by the famous London Interbank Offering Rate and the U.S. prime rate. Once interest rates go up, such a gigantic debt as the Latin American foreign debt, which exceeds \$400 quadrillion [figure as heard], becomes unpayable. In the case of Honduras, for example, regardless of how many times we devalue our currency and how many new taxes we create, that debt will simply be impossible to pay.

Much of the Latin American foreign debt—including the Honduran debt—was used to transfer local capital abroad, and local capital was not replaced because local capital does not produce interest. When a certain country exports its capital and turns it into foreign exchange, that country is left without foreign exchange, and that money returns to the country in the form of new loans. Honduras has faced that situation. Honduras has had to pay interest in foreign exchange for its loans.

That situation brings countries to economic stagnation, impedes development, and perpetuates the problems we are currently facing here in Honduras. Here everybody wants to solve or wants to believe they can solve the problem by yielding to a certain extent and by thinking that the Agency for International Development will increase its aid enough to allow us to pay off the debt to the IMF and the World Bank. That would further strangle our country economically and would leave it without foreign exchange.

I believe that the Brady solution is important because it is the first [U.S.] admission that the problem cannot be solved by pressuring countries into devaluing currencies and increasing their domestic inflation. Instead, the problem can be solved if there is sufficient credibility and security to encourage domestic savings and to prevent the flight of capital from Latin America to the United States and other countries.

[Reporter] In the past few days there has been criticism regarding our country's monetary policy. Even the National Congress president [Carlos Orbin Montoya] has questioned the work carried out by Gonzalo Carias Pineda, president of the Honduran Central Bank, BCH. Would you say that Honduran monetary policy is not being handled properly?

[Rosenthal] I would not say that the monetary policy is being handled badly. In my opinion, the problem is that whenever IMF representatives visit our country, there is a great fuss, everybody makes it a political problem, everybody wants to express his opinion, and no one really tries to reach a national consensus by conducting an in-depth analysis of the problem based on actual technical knowledge. I agree that the BCH has not handled the monetary policy as well as it should.

However, the problem is that all Honduran economic problems have been transferred to the realm of monetary policy. In other words, fiscal, budget, national security, and other policies have not been formed based on a national consensus, which must be achieved in order to truly limit our expenses according to our actual capabilities. We should also encourage the return of capital and domestic savings for the sake of our future development and to be able to pay our domestic and foreign debt; the Honduran Government has a large domestic debt.

We have tried to solve our problems through monetary policies and controls, but we have created within the BCH an ineffective control system that has only encouraged corruption and created a system of import licenses and other such functions that should not be handled by the BCH. We expect the BCH to solve most of our economic problems through monetary policies. Monetary policies are one of the variables used to control a country's economic growth and to reduce inflation, but they form just part of the country's overall policies. Monetary policies normally have immediate effects; in other words, you curb inflation by increasing interest rates and by reducing the circulation of currency. This method is widely used in the United States and many countries throughout the world through central banks or federal reserve systems.

However, monetary policies cannot solve a problem resulting from huge fiscal deficits and from expenses the country cannot bear, and they cannot solve the problems posed by a large number of completely inefficient autonomous government agencies. This system, which we have been adjusting to our political needs, must come to an end some day, and I think that time has come. Unfortunately, as they say, a chain always breaks at its weakest link, and the weakest link is a country's monetary system, which is what has generally occurred in Latin America, to the detriment of the poorest social groups. This is what caused the recent incidents in Venezuela and previous incidents in Brazil and the Dominican Republic. We hope it will never happen here in Honduras.

[Reporter] Thank you for this interview. Would you like to add anything?

[Rosenthal] No. [as heard] I want to add that the Honduran Government and the BCH should call upon individuals with the technical capability and willingness to face this problem and to seek solutions. All sectors should be consulted, be kept informed, and a national consensus should be reached. If we try to hide the magnitude of the problem or do not discuss possible solutions, then it will be difficult to find our way through [monetary problems]. The real problem in Honduras results from a lack of savings, a lack of investments, and a lack of opportunities and employment for a great number of Hondurans. The only way to solve this problem is to increase domestic savings in order to have the necessary funds for investment without having to depend on foreign creditors or donations.

[Reporter] Thank you. Good morning.

Central Bank Denies Debt Payment Suspension
PA1103173389 Panama City ACAN in Spanish
1645 GMT 11 Mar 89

[Text] Tegucigalpa, 11 Mar (ACAN-EFE)—The Honduran Central Bank, in response to foreign press reports originating in Tegucigalpa, today flatly denied that foreign debt payments have been suspended. The Central

Bank announced that, on the contrary, foreign debt payments will continue as usual, depending on the availability of foreign exchange.

Honduras has a foreign debt of \$3.5 billion and pays \$1 million a day to service its debt, which has created a growing shortfall in dollars.

It has also been announced that the Honduran Government is still negotiating with international financial organizations for an agreement that would give Honduras greater access to their resources.

The most important negotiations are being held with the World Bank and the IMF, organizations that have recommended a series of measures which the Honduran Government says it will not adopt because such measures would mean huge sacrifices for the people.

Azcona Receives Busby, Discusses Contras
PA0903180989 Tegucigalpa LA TRIBUNA in Spanish 8 Mar p 3

[Text] Honduran President Jose Azcona and Foreign Minister Carlos Lopez Contreras yesterday explained the scope of the latest agreement signed by Central American presidents in El Salvador to Morris Busby, special U.S. ambassador to Central America.

According to Lopez, Azcona told Busby the Honduran Government agrees with the approval of additional U.S. humanitarian aid for Nicaraguan contras. If they do not receive this aid, the contras might become dangerous for Honduras because they are armed, the foreign minister added.

Lopez said: "We discussed the demobilization of the Nicaraguan Resistance, RN, which will be effected through a joint plan the five Central American governments will draft before 14 May."

He also said the U.S. Government has achieved its original objectives by backing the contras, who have served as instruments to pressure the Sandinists into loosening their ties with the Soviet Government and leaning toward a democratic opening policy instead.

Lopez added that he thinks George Bush's government will request additional humanitarian aid for the RN. "We think such aid is necessary as long as this problem remains unsettled. Without aid, the armed contras are dangerous to Honduras' security."

Finally, Lopez said the Honduran Foreign Ministry and Armed Forces are analyzing a special plan to demobilize the anti-Sandinist rebels. The plan will be announced at the next area foreign ministers meeting, scheduled to be held in Costa Rica late in March.

Officials, Contras To Meet in Washington
PA1303031989 Buenos Aires REUTER in Spanish 0253 GMT 13 Mar 89

[Text] Tegucigalpa, 12 Mar (REUTER)—Honduran officials and Nicaraguan rebel leaders will hold an unprecedented meeting tomorrow in Washington to discuss the dismantling of the rebel army. Honduran Foreign Ministry spokesman Eugenio Castro said: "If we are going to demobilize those people, the natural thing is to talk with them. This is not an official recognition of the contras, but we cannot deny the fact that there are 10,000 to 12,000 contras in Honduras."

During the meeting the two parties will analyze the Central American presidents' agreement to prepare a plan to dismantle contra camps in Honduras in exchange for democratic reforms in Nicaragua.

Many of the fighters in eastern Honduras have asserted that they will not lay down their weapons if they are not convinced that the Sandinists have carried out democratic reforms.

Meanwhile, President Azcona ruled out the possibility of sending the Honduran Army to disarm the contras. He said he would not endanger the lives of his fellow citizens.

FMLN Reportedly Buying Contra Weapons
PA0803180089 San Pedro Sula TIEMPO in Spanish 7 Mar 89 p 2

[Text] Las Vultas, El Salvador, 6 Mar (REUTER)—According to a Farabundo Marti National Liberation Front (FMLN) commander known as Diego, FMLN guerrillas are buying AK-47 rifles from the contras, who have given up their fight against Nicaragua's Sandinist government and are now at the Honduran border selling the weapons they received from the United States.

The guerrilla leader said that the peace initiative the rebels presented to the Salvadoran Government failed. He added that in light of this fact the FMLN has recruited more youths and obtained modern weapons and is now ready to launch an offensive against the Army.

The AK-47 rifle is more powerful, sturdier, and more manageable than the U.S.-made M-16 rifle, which is used by both the Army and the guerrillas. Consequently, the AK-47 is the weapon of choice for guerrillas all over the world.

Diego, caressing his rifle, commented: "Pretty, isn't it?"

Diego said that the AK-47 rifles were made in China, unlike the models supplied to the Sandinists, which are made in the USSR. The Salvadoran military claims that the weapons come from Managua.

Although the guerrillas have many AK-47 rifles, the M-16 will continue to be their principal weapon because it is the easiest to obtain ammunition for. The guerrillas simply take the ammunition away from the enemy. According to Diego, "you first kill a soldier and then take his supplies away."

Regarding the FMLN's new combat strategy, Diego said that the rebels recruited new members, increasing their ranks from 6,000 to 10,000 fighters. This information was confirmed by several military sources.

Some of the recruits at Las Vueltas, both male and female, seem to be no more than children, shifting uncomfortably under the weight of their weapons. Their ability to fight the tough Salvadoran Army troops seems questionable, to say the least.

Former Paraguayan Interior Minister Arrives
PA1203043589 Buenos Aires REUTER in Spanish
0333 GMT 12 Mar 89

[Text] Tegucigalpa, 11 Mar (REUTER)—Former Paraguayan Interior Minister Sabino Montanaro, who was toppled from the government in February along with former dictator Alfredo Stroessner, arrived here tonight in an effort to avoid facing corruption charges in Paraguay.

Montanaro, who received political asylum from the Honduran Embassy in Asuncion in the wake of Stroessner's overthrow in a military coup, said that the government of his country has 90 days to request his extradition.

"I obtained asylum on the condition that the Paraguayan Government must request my extradition within 90 days," he said. The former official refused to comment on the validity of the charges made against him.

Roberto Suazo Tome, Honduran ambassador to Paraguay, said that Honduras and Paraguay do not have a formal extradition treaty, but in the event the Paraguayan authorities make a formal request, it will be duly studied.

The Paraguayan Government headed by Provisional President Andres Rodriguez allowed Montanaro to leave the country this week. The former minister left Asuncion, stopped over in Mexico, and arrived in this capital accompanied by his wife and two children.

Stroessner is living in exile in Brazil. Many officials of Stroessner's government have been imprisoned on various charges.

Nicaragua

Government Reportedly Appoints Envoy to U.S.
PA1303174589 Managua Radio Noticias in Spanish
1130 GMT 13 Mar 89

[Text] We have last-minute news: The Nicaraguan Government will once again try to normalize its relations with Washington by proposing the appointment of a new ambassador.

LA CRONICA newspaper has exclusive information on the person chosen by the Nicaraguan Government to see if Washington accepts him as the new ambassador.

We have contacted LA CRONICA Director Luis Humberto Guzman to learn about this exclusive information:

[Begin recording] LA CRONICA has received information from sources very close to the Government Palace that the Managua government will send Nicaraguan Institute for Tourism [INTURISMO] Director Herty Lewites as the new ambassador to Washington. It seems the Managua government has decided that because of the current economic situation, the INTURISMO development stage cannot continue and must be suspended; therefore, Mr Lewites' services are no longer needed in Managua and are more useful in Washington. That is why the government has decided to appoint him as ambassador to the U.S. capital. [end recording]

Bilateral Talks With Opposition To Resume
PA1303125089 Managua Radio Sandino in Spanish
1205 GMT 13 Mar 89

[Text] Bilateral talks between four opposition parties and President Daniel Ortega will resume this afternoon. The resumption of the talks will complete the second round of dialogue, which was suspended 10 days ago.

The bilateral talks will continue with the PUCA [Central American Unionist Party], the Social Democratic Party, the Nicaraguan Conservative Party, headed by Dr Miriam Arguello, and the Social Christian Party, headed by Agustin Jarquin.

The talks had been temporarily suspended because of the opposition parties' visits to Presidents Carlos Andres Perez and Oscar Arias last week.

Spokesman Rules Out 'National Dialogue'
PA1403045989 Panama City ACAN in Spanish
0340 GMT 14 Mar 89

[Text] Managua, 13 Mar (ACAN-EFE)—The Sandinist government today ruled out holding a "national dialogue" with the opposition, yet it insisted that it is willing to amend the laws dealing with the elections and the press in view of the upcoming elections.

These statements were made this evening by Sandinist spokesman Rafael Solis following a 2-hour meeting between Nicaraguan President Daniel Ortega and representatives of four opposition parties.

The "national dialogue" between the government and the political parties was interrupted in April 1988 before even a political agenda had been agreed upon and in the midst of mutual accusations of intransigence.

The source also confirmed that the government will not agree to amend the existing Constitution, as demanded by the opposition, because that would go beyond the scope of the agreements signed at the Central American presidential summit held in El Salvador on 13-14 February.

During the Central American summit, Ortega agreed to move the date of the general elections forward from November to February 1990.

Solis announced that Ortega will invite opposition parties to a meeting to be held next Friday [17 February], which will also be attended by Nicaraguan Cardinal Miguel Obando y Bravo and OAS General Secretary Joao Baena Soares.

At this meeting, which all of the Nicaraguan internal opposition parties will be invited to attend, Ortega will summarize the demands that opposition sectors have made to the government since 12 February, when bilateral contacts between the government and the opposition began.

Solis added that Ortega will also reveal to the parties and the international community the Sandinist government's position on the opposition's demands, "without straying from the scope of the summit agreements signed in El Salvador."

The Sandinist source said: "Friday's meeting will be informative, and it is not expected that a debate will ensue between President Ortega and opposition leaders."

Solis said the government has ruled out resuming a "national dialogue" between the executive and the entire opposition, without exceptions, because it believes that it would be very difficult to reach an agreement by means of this mechanism.

The Sandinist politician pointed out that since the Nicaraguan Government is currently under a time constraint, the most practical thing it can do is to consider the opposition parties' proposals and demands and submit an electoral reform bill to the Legislative Assembly early next April.

Solis added that according to the agreement signed at the Central American summit, the Managua government must announce the approval of the electoral and media laws by 25 April at the very latest.

Ortega met today with Nicaraguan Social Christian Party faction leader Agustin Jarquin, Nicaraguan Conservative Party leader Miriam Arguello, Central American Unionist Party leader Alejandro Perez Arevalo, and Social Democratic Party president Guillermo Potoy.

The leaders of these political groups told Ortega that "the Nicaraguan people are concerned, because a month after the signing of the El Salvador summit agreements, progress made toward compliance with the agreements has been minimal, if not nonexistent."

Agustin Jarquin, who served as spokesman for the four parties, said that President Ortega's advisers have not accurately reported the extent of the crisis suffered by the Nicaraguan people.

Jarquin said: "We hope that next Friday President Ortega will call for a true national dialogue between the government and all the opposition parties, with no exceptions whatsoever" to discuss "the profound national crisis."

Ortega had previously held bilateral meetings with eight opposition parties. That pattern, however, was broken today when Ortega agreed to listen to the demands of all four parties at once.

PSC President Discusses Opposition Unity
PA0803142389 Managua Radio Noticias in Spanish
1130 GMT 7 Mar 89

[Interview with Erick Ramirez, president of the Social Christian Party, by unidentified reporter; date and place not given—recorded]

[Text] [Ramirez] The Social Christian Party [PSC] National Directorate thoroughly analyzed the Nicaraguan political scene this weekend. We also evaluated the outlook for the country in light of the agreement reached at the Salvadoran summit and Mr Ortega's promise to hold elections in February 1990. We thoroughly studied the national situation, the prospects for clean elections, and the possibility of creating an opposition alliance for the elections. We believe the PSC Directorate has thoroughly considered the present situation. Based on this, the PSC's leadership will make a major political decision in the next few weeks.

[Reporter] Concerning that political decision, [words indistinct] of the party?

[Ramirez] Yes, we listened to a series of suggestions, critiques, and opinions regarding the elections from delegates from throughout the country. We believe the prospects for the elections and the difficult situation of the opposition are being extensively debated. Also being debated is what an election campaign would be like under the present conditions, which are completely favorable to the Sandinists due to the existing laws and repression. The opposition, particularly the PSC, is debating how the elections could be held, what the role of a united opposition could be, and how the opposition would do in the elections if the opposition is completely united.

[Reporter] What possibility is there of a united opposition participating in the next elections?

[Ramirez] I believe that is the best alternative. The opposition must study the possibility of a joint, cohesive participation in the elections, with a single platform and a single ticket. The opposition must not be divided by extremist positions. We must outline a platform responding to the Nicaraguan people's demands. We must lift the people out of misery and poverty and give them the political freedom they are demanding. A united opposition is, in our opinion, the best prospect we can offer the Nicaraguan people.

[Reporter] You call that the best alternative. Are other alternatives being considered?

[Ramirez] I believe that we must study all alternatives before we make any political decisions. The important thing is to make every effort and to work for complete opposition unity so we can have a chance of winning the next elections.

PLI Leader on Talks With Perez, Arias
PA0903201389 Managua Radio Noticias in Spanish
1130 GMT 8 Mar 89

[Report on interview with Independent Liberal Party President Virgilio Godoy Reyes; date and place not given]

[Text] The Awakening newscast has asked Virgilio Godoy Reyes, president of the Independent Liberal Party [PLI], what Carlos Andres Perez and the Nicaraguan opposition leaders discussed among themselves.

[Begin Godoy recording] I would certainly say that this was not a trip in which to make general statements but rather to pursue concrete goals. Both Costa Rican President Oscar Arias—who was the first person with whom we met, for several hours in fact—and Perez were extremely interested in Nicaragua's situation and, naturally, they are exerting their maximum efforts to get this situation corrected and solved as soon as possible. In this regard, both Arias and Perez feel that participation in the elections is important, and they made a frank and open call to the opposition to rapidly adopt this political line.

Of course, this does not mean Presidents Arias and Perez are asking the opposition to commit suicide. Not at all. They know we are in a very delicate and difficult situation and that there are not—(or there should be at some point)—enough guarantees. However, they are confident Daniel Ortega will fulfill the promises he made to them—first in Venezuela during the hours preceding President Perez' inauguration, and then in San Salvador after the meeting of the Central American presidents in El Salvador. Under these circumstances, Perez and Arias trust the FSLN government will grant appropriate guarantees for these elections to be publicized internationally as valid, legitimate, and correct elections.

Perez said that at a point in their struggle against Perez Jimenez [Venezuelan dictator]—it is interesting to note he used this example, because he was saying, without

using the exact words, that we are also struggling against another military dictatorship—they decided not only to unite but to participate even though it was under precarious conditions. And mind you, Perez Jimenez' dictatorship was not a dictatorship of a totalitarian nature like the one ruling Nicaragua [words indistinct].

Therefore, he said the struggle will evidently be an unequal, difficult struggle full of obstacles, but that Nicaraguans' faith in Nicaragua's democratization must be, so to speak, the main stimulus in this struggle. If we fail to achieve everything, we would at least have achieved something; and if we achieve nothing, the opposition would not be blamed—because, once more, the government of the FSLN would have failed to fulfill its promises. However, this time it will be under strict international scrutiny, and this will happen like never before in Nicaragua's entire history.

As a matter of fact, the FSLN representative at the Council of Europe meeting in early February in San Jose publicly stated (?before) the Council of Europe delegation that the FSLN was... [corrects himself] that he was authorized to say the FSLN would accept supervised [supervigiladas] elections. I was surprised by the use of this term, because they had roundly rejected this in the past.

However, regardless of whether the elections are supervised or simply watched, the fact remains that there will probably be several thousand observers here in Nicaragua, not only on balloting day but throughout the entire election campaign, to testify as to whether the elections are genuine or the result of a new manipulation for power.

Perez clearly expressed his views when he virtually placed his confidence on an opposition that is not only united but has a joint platform, an opposition ready to participate in the elections and that is doing so because it believes in democracy and feels it has the support and solidarity of foreign countries, which also want Nicaragua to fit the concept of democracy we have here. [end recording]

There is the impression that the opposition is too passive, and some important media have even said the opposition is wasting its time and losing the initiative. Do you think this may change in the immediate future?

[Begin Godoy recording] I believe so. At least one sector of the opposition was caught by surprise by the announcement that the elections would be advanced, which resulted from the meeting in El Salvador. Now, after the first few days, matters look more clear, and I think decisions will be adopted rapidly.

There is a great deal of talk about the so-called passivity of the opposition. However, strangely enough, while the people are talking about it, some people are talking in tones like those used by Ortega. Every time he opens his mouth, he threatens the opposition, which in turn is accused of being passive.

I think it is worthwhile to point this out, because this partly motivates the international supervision taking place [words indistinct] right now.

However, it so happens that Ortega has his back to the wall, so to speak, in various aspects. All necessary reforms and appropriate conditions must be in place not later than 25 April—that is, within 1 and ½ months. What for? To indicate whether or not Ortega will comply with the agreements he signed in El Salvador. So he has already begun to lie and to distort things.

It was agreed to release not only 1,700 people, but over 3,000—almost double. He then came here, and the amnesty became partial amnesty. Then it was no longer an amnesty, but a pardon—and now it is pardon by the drop. The prisoners are to be released little by little, which is not what the agreement signed in El Salvador says. Besides, this is a unilateral commitment made by Ortega.

Nevertheless, within a few days the opposition will evidently launch its own initiatives and will continue making its own decisions. As to whether the opposition [words indistinct], this is the sign of the times. We have a dictatorship and can see that the government is even afraid of its own shadow. Therefore, there inevitably will be extremely tense moments, but the opposition will work to ensure compliance with the commitments made in Esquipulas, Alajuela, and El Salvador. [end recording]

Godoy explained what steps will be taken to move toward the opposition unity necessary to confront the Sandinist regime in the elections with a chance to succeed. The opposition has thus far only managed to reach agreement, or understanding, regarding 17 demands for constitutional reform.

[Begin Godoy recording] As far as I understand it, time is running out. I know that a relatively new effort is being made to draft a common opposition program. This is to progress from a simple agreement, a simple understanding, to a more integrated way of carrying on in opposition; I would not be surprised if by the end of March or during the [word indistinct] of April, this program is ready and discussed by the group of 14 parties.

Therefore, [words indistinct] to prepare, let us say, the second part of the work, which will be to figure out the cost of [words indistinct] to participate as a unified opposition in a valid election process.

Of course, now everybody is waiting to see what will happen between now and 25 April, which is the deadline to complete all steps and say: Everything is ready now, and the main obstacles have been removed.

We will find out whether or not they are complied with. [Words indistinct] and neither did President Perez see it as a sham participation to simply justify elections such as those held by Somoza in the past. That is why the

opposition during [words indistinct] from 1936 to 1975, which was the last [words indistinct] a high rate of absenteeism. [end recording]

Authorities Debate Release of Some Prisoners
PA0903213189 Managua LA PRENSA in Spanish
6 Mar 89 pp 1, 2

[Text] The Prosecutor's Office and National Penitentiary System authorities have recommended that 57 of the 1,932 former Somoquist guards included in the pardon bill under discussion be excluded from any pardon because, according to authorities, they have resisted prison discipline. The 57 guards apparently have continued to apply the National Guard discipline while in prison.

Prosecutor and Penitentiary System authorities disagree on some of these cases. While one agrees to release this or that prisoner, the other opposes the decision.

Cesar Augusto Castillo, Conservative Party deputy and National Assembly Human Rights Commission member, said this morning the individual cases of the 57 former Somoquist guards will continue to be examined today and that he thinks many of these men can be released.

Castillo said this morning: "We expect the Assembly plenum to take the commission's suggestions into consideration." He pointed out that as soon as the Assembly approves the pardon bill, the prisoners will have to be released and their fate will no longer depend on conditions or negotiations the government might set or initiate in the future.

The Assembly will hear, discuss, and decide on the pardon bill on 14 March. A few days ago, President Daniel Ortega announced that 500 prisoners would be released first and that the rest of them would be released in pace with the contras' demobilization. Deputy Castillo thinks this is a mistake, because once the Assembly decides to grant pardons it will no longer be possible to use the pardoned prisoners' freedom in negotiations.

Castillo criticized the government-controlled media for inciting violence and opposing national reconciliation. "Now that there are plans to release the guards, movies of the 1978 and 1979 armed actions should not be broadcast, as is being done," he said.

Finally, the deputy said the pardoned guards will enjoy full freedom and that this freedom cannot be categorized, such as subjecting them to house arrest, as it has been rumored. In addition, once they have been pardoned it is illogical for these guards to remain in prison and have their fates depend on President Ortega's political decisions.

Canadian Government Opens Consulate in Managua
PA0903212489 Managua Radio Sandino in Spanish
1200 GMT 8 Mar 89

[Text] (Alberto Belli), honorary Canadian consul in Managua, has announced that Stanley Gooch [Canadian ambassador to Costa Rica] last night inaugurated the first Canadian diplomatic office in Nicaragua, which will attend to the Canadian community and make Canada's growing economic and trade relations with Nicaragua a priority. The consul said all Canadian Government investments and financing operations—including geothermal and electrical network projects—in Nicaragua will be handled by the consulate, adding that immigration cases will continue to be handled by the San Jose, Costa Rica offices.

Egyptian Government Invites Ortega To Visit
PA0803030789 Managua BARRICADA in Spanish
3 Mar 89 p 4

[Text] Magda Henriquez, a Sandinist National Liberation Front [FSLN] International Relations Department official, recently concluded a visit to Egypt where, as President Daniel Ortega's special envoy, she delivered a message to Egyptian President Muhammad Husni Mubarak. During her trip to that African nation Comrade Henriquez learned that the Egyptian Government and the ruling National Democratic Party [NDP] would like President Ortega to visit.

While in Egypt, Comrade Henriquez met with Yusuf Wali, Egyptian deputy prime minister, NDP general secretary, and minister of agriculture and land reclamation, who also expressed an interest in President Ortega visiting the region.

Likewise, Magda Henriquez delivered a message from Commander Bayardo Arce, deputy coordinator of the FSLN National Directorate Executive Commission, to Deputy Prime Minister Wali.

During the meeting with Henriquez, Wali said that the Egyptian Government and the NDP support the results of the recent Central American presidential summit in El Salvador. Wali also said the Nicaraguan Government's decisions are a blow to the U.S. aggression against the revolutionary process and an example of revolutionary strength.

Even though Nicaragua and Egypt have diplomatic relations, Nicaragua does not have an ambassador in Egypt. During Comrade Henriquez' visit it was formally agreed that Comrade David McField, Nicaraguan ambassador to Ethiopia, will also represent his country to the Egyptian Government.

Dr Wali also told Magda Henriquez that Egypt hopes that a Nicaraguan ambassador to Cairo will be appointed once Nicaragua has overcome its current economic problems.

During the meeting the Egyptian leader talked about some of the mutual problems experienced by Nicaragua and Egypt, two nations who are members of the Non-aligned Movement, are experiencing economic pressures, and have mixed economies.

Magda Henriquez stressed the importance of a cooperation agreement signed by the FSLN and the NDP. The agreement calls for the drafting of a political declaration and the exchange of party delegations, at the cadre and institutional levels, in the field of communications.

The FSLN official's visit coincided with the presence of PLO leader Yasir 'Arafat and a meeting of the Presidency of the Afro-Asian Peoples Solidarity Organization, AAPSO, which issued a statement hailing the agreements reached at El Salvador and calling on regional and extraregional governments to stop supporting insurgent forces in Central America.

There was also a special resolution supporting Nicaragua and its peace efforts and which called on the U.S. Government to end its militarist policy and develop a new stance toward Central America to implement new concepts that will facilitate dialogue between the Nicaraguan and U.S. Governments.

Magda recalled that in November 1988 the AAPSO appointed Nicaragua as one of its vice presidents. Nicaragua is an associate member of that organization.

In Cairo, the South-West African People's Organization (SWAPO) proposed that Nicaragua be included as a member of the AAPSO presidential committee on South Africa. This was underscored as the "AAPSO's political efforts in open support of the Nicaraguan cause."

Another important aspect of Comrade Henriquez' visit was her meeting with PLO leader Yasir 'Arafat, who met in Cairo with Soviet Foreign Minister Eduard Shevardnadze.

It must be noted that 'Arafat asked that a conference in support of the Intifada (Palestinian insurrection) be held in Nicaragua to advocate the cause of the Palestinian people and to note the fact that out of 108 countries of the world that have recognized the existence of the Palestinian state, only Cuba and Nicaragua have done so in the American Continent.

Panama

PDC Leaders on Current Government, Elections
PA1303222789 Panama City Domestic Service
in Spanish 1500 GMT 13 Mar 89

["Special Christian Democratic Party (PDC) Political Program" moderated by PDC legislator Guillermo Cochez and PDC member Jose Pitti with guest speaker Ricardo Arias Calderon, PDC president and Civic Democratic Opposition Alliance first vice presidential candidate, at the Radio Nacional studios in Panama City—live]

[Text] [Cochez] Good morning, Radio Nacional friends. Just as we did last Monday, we have with us your friendly legislator and PDC second vice president, Guillermo Willy Cochez, who is representing the PDC, the

party of the green star [PDC symbol], the party that dares. Jose Pitti is also with us again.

We will be using radio airtime—and not much of it, by the way—that has been granted to us by the Panamanian Electoral Tribunal [TEP]—according to what we heard this radio station announcer said before this program began—and in accordance with Article No 166 of the current Electoral Code.

As a lawyer and as a man who knows the law, I cannot agree with this statement. The TEP should not think that because it is allotting 30 minutes of airtime on this radio station to each of the various political parties, that it is in compliance with the current law. All media, and especially the state-owned media, should serve all of the nation's political parties on an equal basis, whether they support or oppose the government. This radio station belongs to all Panamanians and not just to those who are currently in power—who, by the way, are usurping government functions, thanks to the 1984 election fraud. However, the current administration's days are numbered. The present government will have to accept the will of the Panamanian majority.

[Pitti] That is correct. Those who have been usurping the Panamanian Government since 1968 only have 54 more days in power. On 7 May—54 days from today—the Panamanian people will again say: Enough of this arbitrary, illegitimate, outrageous, government and its social injustices, which the Panamanian people have had to endure. Those Panamanians who have the least have had to endure the most. Most of the social injustices perpetrated by this regime have been inflicted upon the most needy.

[Cochez] Before discussing the topics we prepared for this 30-minute PDC program—the party of the green star, the party that dares—we want to greet all our friends and colleagues—I say colleagues since I am a radio commentator and a journalist too, I believe—of Radio Nacional, whose slogan is: The radio station that brings the most news, culture, and happiness to Panamanians. I am sure that if this radio station was run on a professional basis, it would certainly be what it is not today: The radio station that brings the most news, culture, and happiness to Panamanians.

We will make this radio station work, not at the service of the hawks of you know who [reference to late Panamanian General Omar Torrijos], but at the service of the Panamanian people.

We promised you that today we were going to discuss Panama's public employees. I want to tell you that half of today's program will be granted to PDC President Ricardo Arias Calderon. Next week, this program will be hosted by PDC Vice President Carlos Arellano Lennox, incumbent and candidate for a position as legislator in Electoral District 8-8. He deserves to be reelected. In addition to Legislator Arellano Lennox, Professor Ada

de Gordon, Prof Gilberto Solis, and Cecilia Alegre are also running for legislative positions for the same electoral district. Therefore listeners, Ricardo Arias Calderon, first vice presidential candidate for the Civic Democratic Opposition Alliance, ADOC, will be with us today, and Legislator Arellano Lennox will be with us next week.

Last week, someone at the Legislative Assembly asked the government not to air this radio program because I talked about something they did not think was appropriate. I talked about the role of the military in a democratic society. Some people are very thin skinned. Everything bothers and irritates them. Everything gives them a rash. They made this request because they do not want us to discuss certain topics. They are afraid people will wake up and rebel. They are afraid people will hear the truth, and, as an intelligent audience, assess the situation and decide what they want to do based on their own consciences and not at the orders of others.

What I have just said applies to both civilian personnel and the military, to members of the government and the opposition, as well as to public and private employees.

Today we will discuss public employees, including the 20,000 to 25,000 in the National Guard. It is being said that if the opposition attains power, all public employees, including those who work here at Radio Nacional, will be fired without exceptions; and that we are going to cut a large number of government positions and carry out mass dismissals. According to the people of the COLINA [National Liberation Coalition], for that reason, in order to protect their jobs and their livelihood, public employees have no other choice than to vote for COLINA.

All these arguments regarding the opposition's positions on public employees, on state workers, are totally false. I am a public employee, not only because I am a legislator, but because since 1975 I have been a professor of political science and law at the University of Panama.

I recall that in my 1st year as a professor—when the late Magistrate Camilo Perez was the acting dean—I was hired on a temporary basis for a year. I also recall that on one occasion when I signed the attendance list—because I go to the university every day except when my assistant stands in for me—I learned that I had to buy a ticket for a dinner at which, it was said, all professors should, quote, voluntarily, unquote, attend to honor Romulo Escobar Bethancur, who was then the rector of the University of Panama. I objected to this, because I thought that it was insulting to ask teachers to buy a ticket for an event of this nature, particularly since university professors are paid so little. I strongly objected because I felt that it was degrading for a university professor to attend a political event of this nature.

You can imagine what happened the next year. My contract was not renewed without explanation, even though I had met all the academic requirements, as I had

just returned from the United States where I obtained a master's degree in civil law from a prestigious U.S. university after graduating from the University of Panama Law School. Then, when the university became more democratic under Diogenes Cedeño Cenci—I must admit this—I was rehired. I have been a university professor since amendments were made to the university law, and I was selected as the most qualified candidate for a position when it became available.

The situation is different for IRHE [Institute of Hydraulic Resources and Electrification] workers. Although they earned all their labor rights in very intense labor struggles—not recently but when they were employees of the Panamanian Power & Light Company—today, after all that has been done to the union, the IRHE is being turned into a garrison. It is being turned into a sort of division of the Panama Defense Forces, FDP, under the direction of someone who might know a lot about weaponry, birdshot, and hose beatings, but who probably knows very little about managing the most important state-run company in the country. The IRHE, along with the Social Security Fund, accounts for the largest share of the national budget for decentralized agencies.

We want to spare public employees the abuse to which they have been subjected for so many years. They are not treated like human beings. Their dignity is insulted every day. They are treated like cattle. They are forced to register in the PRD [Democratic Revolutionary Party]. They are forced to attend public events attended by General [Manuel Antonio] Noriega. Whether or not they get paid depends on their participation in public events, and they are deprived of their free time. Public employees live in a constant state of anxiety.

If the minister is a member of the PALA [Labor Party], all the employees are forced to register in that party. If the minister is removed and the new one is a member of the PRD, everyone must register in that party. It is quite true that public employees have had to register five times in the PRD and three times in the PALA—all in order to remain in the same ministry—since there have been changes, and since ministers are sent from one place to another.

When public employees are asked what party they belong to, they answer like the Chinese in the joke: You tell me first. They wait to answer. If the interviewer says he is a member of PALA, the employee answers he is a member of PALA or the PRD—whatever the interviewer says. That is abusive and disrespectful of public employees' dignity. This will certainly happen, at least with IRHE employees. I imagine similar tactics will be used against other institutions by Darinel Espino, the agrarian development minister and secretary general of the PRD, on Thursday, 16 March.

Public employees who have not yet joined a political party will be taken to 50th Street on 16 March so they can register with the PRD in a ceremony to commemorate the events of 16 March 1988, when 20 military

officers who were tired of what is happening within the military decided to rebel against military authorities. Workers from IRHE and other ministries who have yet to register will be taken to 50th Street on 16 March. What are the election authorities doing about this? The problem is that they confuse the government with the state. The state is everyone, but the government is the Executive Branch. The state belongs to everyone and, therefore, we all decide what government we want.

We all know, however, that since 1968, Panamanians have been unable to exercise their political power and elect a government by popular vote. We all know what happened in 1984 when we tried to elect our government.

This time, however, it will be too late for them. The anger that exists among all groups, including public employees who are sick and tired of the situation, will tell us the only path to follow is to vote for ADOC on 7 May. We ask you to vote for PDC, the party of the green star, the party that dares.

It is commendable to be a public employee. State employees—listen carefully, not government employees—serve all Panamanians. That is where their dignity resides. Private workers, who are also worthy employees, work for their personal benefit and for their employer's benefit. State employees work for all Panamanians and for our common welfare. That is why their work is more important and worthy than that of a private sector employee. That is why they deserve our respect, admiration, and appreciation. Those workers sacrifice to help everyone, not just a business owner or those who obtain benefits from that business, but everyone who benefits from the Panamanian state, which belongs to all of us and not to General Noriega, the Democratic Revolutionary Party, or the Labor Party. That is why public employees deserve our appreciation.

Appreciating public employees means ending all the sinecures that exist and doing away with advisers, who without any experience, but because they are relatives of someone close to the regime, earn wages that are three, four, and five times higher than what they deserve.

After Ricardo Arias Calderón's message, we will give you details on ADOC's position regarding public employees so you, civilian and military public employees, will know that it is completely false that the PDC, the Nationalist Republican Alliance [MOLIRENA], and the Authentic Liberal Party—ADOC—want to destroy the public employees' achievements and want to dismiss all public employees. Here is PDC President Ricardo Arias Calderón, who will tell us what ADOC will do with the public employees.

[Arias Calderón] Look, that is negative propaganda by the Noriega candidates. A few days ago, the new Noriega presidential candidate [COLINA presidential candidate Carlos Duque], who for years has been one of Noriega's businessmen, said, according to LA ESTRELLA DE

PANAMA, that he promised to guarantee the stability of public workers, the administrative career law, and better salaries. However, no Panamanians—and much less public workers—can believe such promises. Reality shows that they are totally false. Why do we not have an administrative career law in Panama? I can tell you why: Because the dictatorship we have had since 1968 annulled the administrative career law as soon as the 11 October coup took place in order to manipulate state workers. Although the regime has maintained a majority in the National Assembly, the regime has never dared, nor will it ever dare, to approve a new administrative career law, because it wants to continue manipulating state workers.

Moreover, never has there been less job security among state workers than in the past few years. Ask all those who have lost their jobs as a result of the so-called political opportunities game played between the PRD and the PALA and sometimes between the various factions of one progovernment party. Never has the dignity of public workers been offended to such a degree as in the past few years. Public workers have been forced to register in progovernment parties, forced to participate in political party activities, and forced to tolerate corruption among high-ranking government officials—their bosses. The Noriega candidate's promise to increase salaries is a cruel joke. State workers are not paid on time, are not paid the 13th-month salary bonus, and are constantly threatened with salary cuts. No private company would dare do something like this.

If Noriega and his candidates still control the government after the elections, the economic disaster in our country and the state financial disaster will worsen. There is no doubt they will then do what they have threatened to do several times: decree a general cut in salaries or mass dismissals of state workers. In other words, there is no reason for public workers to feel grateful to Noriega and his candidates or to feel secure under a government run by them.

In regard to what the ADOC—the true opposition party—policy for public employees would be, we will clearly express it. Please listen closely.

1. We will draft a law to establish a true administrative career that will protect the personal and professional dignity of state workers.
2. We will pay on a regular basis and on time the salaries and other benefits of public workers, including the 13th-month bonus. We will have the money to do that because the corruption prevailing now will not exist. Thus, we will be able to rebuild our country's economy.
3. We will keep honest, skilled, and hard-working public workers in their posts. Therefore, I am certain the sinecures and the scoundrels are the only ones who fear an ADOC government and the only ones who will vote for the Noriega candidates. Most public workers can

look forward to an ADOC government with calm and hope. Moreover, they can and should join the rest of the people, who with their votes want to end the Noriega dictatorship and the economic crisis, and who want to attain democracy and a better life for all Panamanians.

[Cochez] This has been very clear. It could not be clearer—it is clearer than water. Only sinecures and scoundrels fear the ADOC. Are you aware, Radio Nacional friends, that \$42 million—42 million balboas—are spent on sinecures a year? Did you know that? Forty-two million balboas are spent on sinecures. That is incredible!

[Pitti] Moreover, it might be that because of this—because \$42 million a year has been spent on sinecures over the past several years—there are no funds available now to pay public employees. This is why the government is paying public workers with bonds and notes, because \$42 million has been spent every year to pay for sinecures, which do not function for the benefit of the Panamanian state and people.

[Cochez] Jose, on Wednesday or Thursday, 16...

[Pitti, interrupting] Right, on Thursday.

[Cochez] On Thursday, at a dinner at the Marriott Hotel, the opposition will present its economic plan. I want to tell you something in advance about the portion of this plan that deals with public workers. The opposition is proposing to increase goods and services produced and provided in Panama as a quick and secure way to reduce unemployment.

How can those who today are saying the opposite to discredit the ADOC—thank God no one pays attention to them—dare to say that to increase production of goods and services, so factories will produce more and hire more workers, how can they dare say we are going to dismiss public workers, when they are consumers? We will try to keep the largest possible number of honest, skilled, hard-working public workers. Listen carefully, only sinecures and scoundrels will have to go. Only sinecures and scoundrels—the parasites who have been squandering state resources for so long will have no place in an ADOC government. We hear this in the streets everyday. Public workers approach us and tell us things to use in our radio programs.

Those same government employees have told us what is going on at IRHE [Panamanian Special Rehabilitation Institute], where the PRD flags used during Saturday's rally were made. The IRHE employees already told us what will happen Thursday. They have told us there will be forced registration on 50th Street and at the Omar Torrijos Museum. This will be for government employees who have not yet registered. These are the kind of things we talk about, and we also give some hope to the government employee who is sick and tired of all that is going on.

Just look at what has happened. Just because we became the voice of the government employee who is being abused with those famous 13th-month bonus promissory notes, the government yesterday announced, and today reiterated, that it will seek a way to solve the promissory note problem immediately. Today is 13 March, and tomorrow is payday; when are the government employees going to get paid? When are they going to be paid their 13th-month bonus that is due in a month and 2 days, on 15 April? When? These are things we must keep asking.

Jose, you may recall that last week we talked about the posters pasted all over the walls of this radio station. I imagine the workers of this station, Panamanian citizens who want to see some changes, must be tired of seeing those faces. Here we have a PRD flag which is a poster of Gen Noriega with a caption that reads: We have a commander for a long time. Every time I read that caption I recall that Stroessner, Batista, and Somoza said the same thing. What do you think, Jose?

[Pitti] I agree. I also remember that approximately 2 weeks before Somoza was overthrown, there was a huge demonstration in Nicaragua. At that time, government employees said they would have a commander for a long time; 2 weeks later the Nicaraguan people put an end to the dictatorship.

[Cochez] It seems those are the words all dictatorships use. It seems the Sword International [Internacional de la Espada], as it is called, used the same words and the same slogans. But do not worry.

[Pitti] I want to remind government employees that the Comptroller General's Office drafted an economic plan that called for the firing of 50,000 government employees. However, they did not implement the plan because elections were near. But what can the government employee expect after the elections if, only a few days before, they are being bombarded with lies and promises, are not paid their 13th-month bonus on time, and are not paid their wages on time? There are going to be mass firings.

[Cochez] You are right; you are right.

Well, we are here at Radio Nacional using these few crumbs of minutes that the Electoral Tribunal has given us. According to them, they are abiding by Article 166 of the Electoral Code, but that is not so. According to the Electoral Code Radio Nacional, your radio station and my radio station—the radio station of the civilian, the soldier, the government supporter, and the opposition—is a station for all of us to use.

This has been Guillermo Cochez.

[Pitti] And Jose Pitti.

[Cochez] We are representing the PDC, the party of the green star, the party that dares. Thank you, have a nice day, and see you next Monday.

Official Says School Bus Incident 'Resolved'

PA1403014089 Panama City Telemetro Television
in Spanish 2320 GMT 13 Mar 89

[Text] Following several meetings between Panamanian and U.S. military and civilian authorities, it was clearly established that the buses that provide transportation for children attending school in the canal area are registered by the Contract Services Company with Panama City officials and, therefore, must meet the same requirements demanded of buses that provide service to the Panama City area.

Lieutenant Jorge Rodriguez, a liaison officer at the National Directorate of Land Traffic and Transportation [DNTTT], said this afternoon that the 3 March incident—in which the drivers of the school buses were fined for driving vehicles without the proper license plates—has been resolved. Lt Rodriguez said the U.S. authorities have admitted that the DNTTT had every right to stop the vehicles.

[Begin recording] [Rodriguez] The bus drivers are bringing the buses in for inspection today. The company owners have paid their taxes at the Finance Ministry, and after we have completed the inspection process we will give them their Panamanian license plates; that was all we were demanding. What they did earlier was in violation of the Torrijos-Carter treaties.

[Reporter] How many buses were involved in this incident?

[Rodriguez] There are 81 buses that provide service to the canal area; 60 buses have already passed inspection and the last group of 21 buses is here today. We began this inspection process on Saturday. The bus company and the U.S. authorities realized that this was the way things had to be done—legally and as we had required. [end recording]

EEC To Sponsor Integration With Costa Rica

PA0903212989 Panama City LA ESTRELLA DE
PANAMA in Spanish 8 Mar 89 pp 1, B-10

[Report by Hermes Sucre Serrano]

[Text] The Panamanian Foreign Trade Institute [IPCE] has told this newspaper that the EEC will sponsor a \$40-million rural integration program between Costa Rica and Panama. It has also confirmed that Panama will sign an agreement at the end of March to add 62 new products to a partial trade agreement it maintains with Mexico.

According to IPCE assistant director, Ruben Dario Ortega Vieto, the Costa Rican and Panamanian planning ministers have agreed to ask the EEC to finance a rural integration program involving health, education, agriculture, and culture in the border area between both countries.

Ortega Vieto said the program will be implemented by a joint administration. He stated that the rural integration of the Costa Rican-Panamanian border falls within the framework of the Luxemburg Agreement, a European initiative for the development of the Central American region.

He also reported that an agreement will be signed at the end of March to add 62 new products to a partial trade agreement in effect between Mexico and Panama, which will increase the number of Panamanian products preferentially introduced into Mexico to 82 new products.

Ortega Vieto stated the agreement has been modified to allow textile and food products to be imported into Mexico. He explained that now Panamanian tobacco can be sold throughout Mexico, whereas formerly it could only be sold in Mexican duty free zones.

He added that Panama is arranging to be included in all the EEC's regional development programs.

He also reported that on 16 March, the IPCE will hold a trade forum at the Marriott Hotel from 1400 to 1600, sponsored by the Panamanian Exporters' Association (APEX). Representatives from the Association of Panamanian Industrialists (SIP) and the IPCE will participate in this forum, which will deal with important aspects of foreign trade operations and will analyze new marketing alternatives for Panamanian products.

Commentary Blames Opposition for Economic Crisis
PA0903205389 Panama City Domestic Service
in Spanish 1645 GMT 9 Mar 89

[Station Commentary]

[Text] The country's economic crisis and the dramatic effects it has had on almost all aspects of national life is the direct result of the opposition's attacks on state institutions. The crisis is the product and effect of the political support the opposition requested from the U.S. Government, support that government gave in the form of economic sanctions, hoping to get paid with an integral revision of the Panamanian position on the Torrijos - Carter treaties.

While it is true the efforts to destabilize the government did not produce the hoped-for results, the damage produced by the aggression has not been repaired and must be added to the political bill the opposition has to pay.

As a result of the economic sanctions, the development the country had been enjoying came to an end in June 1987. By the end of 1988, the Panamanian GNP had dropped 20 percent, which has represented an undetermined deterioration in the Panamanians' standard of living.

The opposition's watchword was to pressure for even more important U.S. political actions against the Panamanian Government. They used to say: What may

happen now does not matter; what matters is the toppling of the government. That stubborn, apparently thoughtless, and obviously irresponsible position led the country into the situation we are now facing.

One thing led to another, and with the implementation of the U.S. sanctions came the paralyzation of the country's most important economic activities. This led to an alarming number of people joining the ranks of the unemployed.

Thousands of Panamanians who were employed and who were honorably supporting their families suddenly found themselves in the street wondering how to resolve urgent needs in their homes.

Small enterprises linked to mid-sized enterprises had to close and dismiss their employees. Overnight, thanks to the absurd and yielding attitude of the opposition, the common Panamanian family found itself enduring limitations they had never experienced before.

Suddenly, it was no longer possible to take home the usual goods, sometimes not even the most essential goods. Citizens have had to delay rent payments to take care of food needs first, and food has had to yield to a secondary position whenever medicine is needed. There have been times when some families have not been able to acquire either food or medicine.

It is possible that this hardship situation is not well-known by people who are in better economic situations and have not had to worry as much about acquiring resources to purchase badly needed items. However, this hardship situation has been endured by thousands of fellow countrymen who are hit by hunger or illness and simply cannot satisfy their needs or the needs of their families.

Many citizens who were always up to date with their rent, are now behind and cannot pay the electric bills or the telephone bills, not to mention debts to financial houses and furniture stores. The truth is that we have always been a society inclined to waste; we have been voracious consumers. This was the result of a particular lifestyle that led us into using our resources as we pleased. Now we cannot do that. All of us know that many Panamanians cannot use their bank savings as they please, even if in some cases those savings represent a lifetime of work. They also know this is only one of the immediate consequences of the economic sanctions the opposition begged the United States to impose on the country, not on the government—as has been verified.

This is not a situation of the past; it is a situation all Panamanians know very well because it affects all of us somehow, including those who, fooled by opposition preaching, simply closed their eyes and ears when the opposition almost turned the country over to U.S. interests. This is a situation that will have an impact on the minds and good judgment of Panamanians who will vote in the May elections. The people know who brought to

the country the gloomy clouds of U.S. aggression in the form of limitations on the lives of Panamanians. If you examine the situation carefully, you will realize the opposition has never wanted elections. Its leaders always believed it would be enough to destroy the country economically so once the national government was overthrown, Washington would organize a so-called reconstruction government. This way, they would avoid facing the verdict of a people who can distinguish between those who serve them and those who betray them.

This people will clearly express themselves in the May elections, and with their votes they will be presenting a big political bill to those who had to seek an alliance with traditional enemies of the nation, on which they unleashed the calamities we have listed here, calamities that continue to dramatically affect the Panamanians.

Ritter Urges Creditors 'To Reassess' Debt

PA0903223289 Panama City Circuito RPC Radio
in Spanish 1700 GMT 8 Mar 89

[Text] Panamanian Foreign Minister Jorge Eduardo Ritter has said that industrialized countries should adopt the Latin American stance that the foreign debt is unpayable and is a heavy burden with a high social and financial cost.

Ritter deplored the fact that industrialized countries and the large Latin American creditors wait for incidents like those that took place in Venezuela to reassess the region's concerns.

Government Announces Promissory Note Schedule

PA0903032389 Panama City CRITICA in Spanish
8 Mar 89 pp 1, 10

[Text] The Finance and Treasury Ministry announces to the general public that the national government has

issued \$23 million in fiscal promissory notes with the purpose of paying public employees the August and December 1988 portions of the 13th-month bonus.

The schedule for cashing the promissory notes will be as follows:

April 1989: \$2.5 million
October 1989: \$5.0 million
April 1990: \$5.0 million
October 1990: \$5.0 million
April 1991: \$5.5 million

The first drawing will take place on 3 April; the dates of subsequent drawings will be announced at the proper time.

Once the drawings are held, the winning promissory notes may be used to pay water, electricity, and telephone bills and all national taxes, including income, sales, production, and import taxes, etc.

Commission Proposes Tax on Ships Using Canal

PA0903032689 Panama City MEDIODIA in Spanish
8 Mar 89 p 2

[Text] The National Environmental Commission has drafted a proposal to develop a plan to protect the Panama Canal basin. The proposal includes imposing a new tax on ships transiting the canal. These funds would be used to protect the Panama Canal basin from the ecological damage that it faces.

This proposal, which is going to be presented soon to the Executive Branch, seeks "to establish an automatic financing mechanism as a supplement to government allotments to face the deforestation problem in the canal basin. [quotation marks as published]

Argentina

'Contrasting' Opinions Over 'Brady Plan'

PY1303195589 Buenos Aires BUENOS AIRES HERALD
in English 13 Mar 89 p 7

[Text] (NA-DYN)—There were contrasting government reactions to the latest United States plan to reduce Third World foreign debt as Economy Ministry sources said they did not expect too much from the plan while Foreign Minister Dante Caputo praised its originality.

Economy Ministry objections centred on the lack of both detail and mechanisms to cap interest rates to the "historic" four to six percent whereas the LIBOR (London Interbank Offered Rate) is currently standing at 10 percent. Nevertheless, the sources expressed interest in an expanded Japanese role.

The U.S. plan, which was announced by Secretary of the Treasury Nicholas Brady on Friday, will enable debtors to buy back their debt on secondary markets where they are quoted at 25-35 percent of their nominal value, as well as permit exit bonds, the capitalization of interest arrears, compensation funds and longer-term loans.

Argentina nevertheless risks being declared "value-impaired" after not having paid any debt for nearly a year.

On Saturday night Radical presidential candidate Eduardo Angeloz appealed to a sense of responsibility in excusing himself from judging the Brady Plan ahead of knowing its details but his centrist rival Alvaro Alsogaray accused the government of just that, of rushing to hail the plan before finding out what it was all about.

Angeloz nevertheless pointed out that the proposals overlapped with the ideas which he had voiced at the World Economic Forum in Davos, Switzerland, in his European swing last year. The Cordoba governor repeated previous opposition to a debt moratorium and said it was necessary to find "new formulae" for payment in order to avoid Venezuela-type violence.

Finally, the CGT yesterday issued a statement rejecting any move to subject economic policies to the "recessive recipes" of the International Monetary Fund (IMF) and said that the only structural reforms which it would accept were those in the direction of social justice, not deregulation as urged by the IMF.

United Left presidential candidate Nestor Vicente said in Moron on Saturday that in the best of cases, the plan would reduce Argentina's foreign debt from 60 to 40 billion dollars which would still have to be paid "with recession and repression."

Alfonsin Creates 'Internal Security Committee'

PY1203231589 Buenos Aires BUENOS AIRES HERALD
in English 11 Mar 89 p 1

[Text] (NA-DYN)—President Raul Alfonsin yesterday announced a decree creating an Internal Security Committee to "prevent and combat the appearance of activities of armed groups capable of endangering constitutional rule, or attacking the life, freedom, property or safety of the nation's inhabitants."

The decree empowers the Armed Forces to participate in internal intelligence matters and repress subversive action, in case the police and security forces were to be overwhelmed by a terrorist attack.

The committee will initially be made up by Interior and Defence Ministers Enrique Nosiglia and Jose Horacio Jaunarena, Prosecutor-General Andres D'Alessio, Armed Forces Joint Chiefs-of-Staff commander Teodoro Waldner, State Intelligence Secretary Facundo Suarez Lastra and COSENA (National Security Council) Secretary Admiral Barry Melbourne Hussey.

However, the decree specifies that the number of members of the committee will vary "according to the circumstances."

"The President will be able to decide the incorporation of any other person who he thinks could participate in the committee's sessions," states the decree, which was released to the press at the Government House last night.

The decree states that the possible participation of military intelligence in the fight against subversion does not contradict restrictions imposed by the defence law.

"The President will be able to instruct the entities within the National Intelligence System—via the National Intelligence Centre (CNI)—to cooperate whenever necessary to prevent and neutralize terrorist action," it says.

Navy Denies Weapons on Sunken Ship

PY1103195489 Madrid EFE in Spanish 0116 GMT
3 Mar 89

[Text] Buenos Aires, 10 Mar (EFE)—An Argentine Navy spokesman today rejected reports from Chile that the "Bahia Paraíso," which sunk near Antarctica on 31 January 1988, was carrying sophisticated weapons and helicopters.

The Navy source told EFE that the report published in Santiago on 9 March by the conservative magazine QUE PASA is false. "It is not possible," the source said, "to keep secret from so many people the existence of sophisticated weapons and helicopters."

The source added that the Navy had hired the "Bahia Paraíso" from a private tourism firm and that 300 tourists were on board the ship when it sank.

"U.S. and Chilean ships helped to rescue the 'Bahia Paraíso,' and several Argentine and foreign scientists are still in the area to detect possible risks of pollution because of the fuel the ship spilled," the source said.

According to the Argentine Navy spokesman, "It would have been almost impossible to keep so many people from noticing the weapons, especially the Exocet missiles."

The report published in the Chilean weekly did not mention any source, and the Navy officer consulted by EFE labeled the case as "symptomatic."

The Argentine Navy reported today that early this week the Argentine and U.S. officials doing the antipollution work held a meeting on board the "Bahia San Blas," in the area where the "Bahia Paraíso" sank.

An official Argentine Navy report states that those participating in the meeting agreed that the methods used to prevent environmental pollution were "efficient." The meeting was attended by Ship-of-the-Line Captain Jorge Garcia, who is the commander of the antipollution operation; by other Argentine officers; and by Peter Wilkniss, director of the "National Science Foundation," who praised the work of the Argentine divers.

The Argentine Navy reports that it has completed draining and welding the fuel tanks, removing the gas oil containers, and cleaning up the fuel that spilled into the sea.

Argentine divers will work in the area until mid-March aboard the Argentine ship "Gurruchaga." They will carry out their activities with the support of U.S. rescue equipment.

It has been reported that approximately 15 scientists from many countries, including Argentina and Chile, have gone to Antarctica to conduct the next stage, that is, to evaluate how the environment has been affected by the fuel spill. This stage will begin "immediately."

Bolivia

Wave of 'Terrorist' Attacks Hit Party Offices
PY1303205289 Madrid EFE in Spanish 1954 GMT
13 Mar 89

[Text] La Paz, 13 Mar (EFE)—Bolivian Government officials, congressmen, union and political leaders have repudiated the 17 dynamite attacks carried out today against the headquarters of the ADN and the Movement of the Revolutionary Left (MIR).

These terrorist attacks caused property damage to the party offices but no casualties.

COB Executive Secretary Simon Reyes today expressed his concern over the wave of terrorist attacks, because they are signs of a forthcoming coup d'etat, he said.

Reyes said that the coups d'etat that have taken place in Bolivia have all been preceded by a wave of terrorist attacks, destabilizing actions, and the murder of political and union leaders.

According to the police, special patrols are investigating the attacks and hundreds of troops were deployed with instructions to safeguard the offices of parties preparing for the May 1989 elections.

MIR leader Raul Burgoa stated that six of his party's offices in the outskirts of the city, in the government building, and in the city of El Alto, near La Paz, were destroyed.

Eleven ADN offices were also attacked.

The ADN, MIR, and the MNR are the three parties with the best chances of winning the next election.

ADN and MIR leaders have asked the Interior Ministry to investigate these explosions and the origin of the threats against the democratic process.

The United Left Front today demanded that the government and congress adopt measures to safeguard the electoral process that will conclude on 7 May 1989 with the Bolivian elections.

Police in State of Emergency
PY1403020389 Madrid EFE in Spanish 0130 GMT
14 Mar 89

[Text] La Paz, 13 Mar (EFE)—Police sources reported today that the La Paz police have been placed on a state of "emergency" in view of the series of bomb attacks perpetrated before dawn today against political party headquarters.

The headquarters of ADN, Movement of the Revolutionary Left (MIR), the National Civic Action (UCN); and the ruling MNR have had their guards reinforced. In addition, sources have reported that an investigation is under way.

It was added that the police have received a series of anonymous phone calls warning about new attacks. However, it was reported that all these warnings turned out to be false.

All national political and union organizations, congressional members, and government officials have repudiated the attacks which they believe pose a "serious risk" to the election and the stability of Bolivian democracy.

The attacks were perpetrated against 11 ADN offices, 4 MIR offices, and 1 UCN office. The explosions caused damages but no one was injured.

MNR spokesmen also reported that a dynamite cartridge that did not go off was found in one of the MNR offices.

Several sectors have reported that this is the first time Bolivia has experienced events of this nature. They demanded that Bolivian police and authorities "immediately clarify" the situation.

Brazil

Finance Ministry Communique on Foreign Debt
PY1003235789 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 10 Mar 89

[Text] The Finance Ministry has released an official communique, stating that the new [U.S.] program on the foreign debt is a positive step and a breakthrough in the right direction.

According to the communique, a final assessment still depends on the details of the program and on the conditions under which it will be implemented.

Peasants Evicted After Clash With Soldiers
PY1303150089 Madrid EFE in Spanish 0040 GMT 12 Mar 89

[Text] Porto Alegre, 11 Mar (EFE)—The 500 families of rural workers without land who occupied a ranch in the Salto de Jacui district, 250 km northwest of Porto Alegre, today surrendered after a clash with soldiers and police, which caused injuries on both sides.

The Military Brigade of Rio Grande do Sul State used 800 policemen to evict the occupants, who exchanged fire with the security forces before surrendering. Two airplanes were used to drop tear gas on the occupants.

Colonel Joao Candido de Melo said that this resistance is the strongest ever encountered in the state. He added that about 25 leaders of the occupation were turned over to the police. The rest of the occupants will be taken 18 km away from the ranch.

The 500 families of the rural workers without land occupied the Santa Elmira ranch on 9 March and refused to obey a court order to leave. They said that they would resist to the death if necessary.

There was no report on people killed. The police did not report how many were wounded or how seriously, but the wounded were taken this afternoon to hospitals in the nearby towns of Sobradinho and Cruz Alta. The hospitals had been on alert, expecting the clash.

Leaves 400 Injured

PY1303213789 Madrid EFE in Spanish 1552 GMT 13 Mar 89

[Text] Rio de Janeiro, 13 Mar (EFE)—It was reported today that some 400 people were injured during the clashes that occurred on 11 March in Salto do Jacui, southern Brazil, when the military police ousted 500 families that were occupying a ranch.

Some 8 military police soldiers and 15 occupants were hospitalized in a serious condition in the Santa Lucia hospital, in the town of Cruz Alta, 300 km from Porto Alegre, capital of Rio Grande do Sul state.

Peasant Jose Maria Menezes, who was shot in the chest, is in serious condition.

The incidents occurred during the afternoon of 11 March when soldiers ousted the occupants with tear gas, rifles, and bayonets.

Twenty-two occupants, among them priests Paulo Ricardo Ceriolo and Antonio Gorgen Gorgen, have been arrested. Gorgen was slightly wounded.

Following the clash, the military police seized 12 revolvers of various calibers, powder, home-made bombs and rudimentary weapons.

Soldier Silvio Domingos, who sustained two bullet wounds, said that the occupants sprinkled his body with gasoline and then tried to set fire to him.

The occupants reported that tear gas canisters were hurled from two private planes owned by ranchers on a gathering of some 2,500 people, among whom were 600 children.

A child named Janice Maria Silveira was intoxicated with tear gas and was admitted at the Cruz Alta hospital.

The journalists who covered the clashes have reported that whenever the planes strafed the area the occupants repelled them with rifle shots.

PMDB Elects New National Executive Board
PY1303184189 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 13 Mar 89

[Excerpts] After an arduous weekend the PMDB finally agreed on its new national executive board. The outstanding point of the convention was the victory of the progressive bloc headed by Ulysses Guimaraes, who was elected party president for the ninth time.

The job of cleaning the convention center began early this morning and will probably take the rest of the day. The convention representatives of the largest party in the country will have a hard job gathering up the pieces of the PMDB following the convention.

The division of the PMDB into two congressional blocs, moderates and progressives, sharpened considerably following the final convention vote and the election of the executive. The vote gave 37.5 percent of the votes, or 45 seats of the 121 strong board, to the moderate bloc. Immediately after the vote the progressives convened the board of directors at Nery Ramos auditorium to elect the

executive board. The progressives overruled the objection of Minister Carlos Sant'Anna who wanted to include members of the minority bloc in the executive.

[Begin Parana Deputy Elio Duque recording] To change the composition of the executive board they had to have 51 percent of the votes. They did not get 51 percent but we did, therefore we chose the executive. This is to show that the PMDB we want is an executive PMDB [sentence as heard]. [end recording]

The new PMDB Executive Board comprises former Recife prefect Jarbas Casconcellos, Parana Deputy Elio Duque, Minas Gerais politician Tarciso Delgado, Belo Horizonte Senator Jose Fogaca, and Bahia Deputy Francisco Pinto.

Heart Institute Reports on Ministers' Health
PY1303124289 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Mar 89

[Text] Social Security Minister Jader Barbalho is in satisfactory condition, following his hospitalization at the Heart Institute of Sao Paulo last Thursday for kidney and liver problems.

Communications Minister Antonio Carlos Magalhaes, who is also hospitalized in the Heart Institute of Sao Paulo, will be examined to determine the treatment he will undergo.

According to Heart Institute Director Jovani Belotti, Minister Magalhaes' heart tissue is going through a process of cicatrization after being injured by the heart attack. Once this process is completed, the physicians will be able to examine the coronary arteries and decide whether to perform triple bypass surgery.

Chile

Financial, Economic Sectors on 'Brady Proposal'
PY1303144189 Santiago Domestic Service in Spanish 1030 GMT 13 Mar 89

[By Ricardo Urzua Muniz]

[Text] The Latin American financial and economic sectors are anxiously waiting for the details of the U.S. proposal on the developing countries' foreign debt, which David Mulford, U.S. Department of Treasury assistant secretary for international affairs, will announce on 13 March. Mulford will explain the new U.S. plan to reduce the heavy burden that the \$400-billion debt—mostly to U.S. banks—represents to the Latin American countries.

On 10 March, U.S. Treasury Secretary Nicholas Brady announced the proposal but gave no details on how to implement the measures because, apparently, there were still some disagreements on the implementation within the U.S. Government.

The first announcement was well received in Chile. Central Bank Chairman Enrique Seguel has said:

[Begin recording] The U.S. decision eventually to pardon 30 percent of the foreign debt, as reported in the press, will always depend on this demand [not further explained]. Fortunately, however, Chile has been fulfilling these demands on a voluntary basis since the day the foreign debt issue was first discussed. [end recording]

ECLA Executive Secretary Gert Rosenthal has said that, although the proposal confirms the principles that have been guiding the U.S. policies on the matter since 1985, it contains important new aspects. The most important of these aspects, Rosenthal said, is that it admits the possibility of transferring part of the debt risk to the creditor countries' governments. Until now this possibility has always been vehemently rejected. Rosenthal also pointed out that an enduring solution to the debt problem requires sustained growth in the debtor countries, and growth requires fresh money. Other countries, such as Japan, have a similar opinion on the matter.

The new policy would entitle the Latin American countries to receive fresh money, and they would no longer be the countries making the biggest payments to the developed countries. This confirms the great importance of the relation between debt and trade.

To some Latin American analysts, this proposal also has political reflects. Argentine Radical presidential candidate Eduardo Angeloz has said that this type of measure would prevent tragic incidents such as the recent ones in Venezuela, which are attributed to the foreign debt.

Economy Minister Expects Details
PY1303184789 Santiago Radio Chilena Network in Spanish 1700 GMT 13 Mar 89

[Text] In response to U.S. Secretary of State Nicholas Brady's proposal to deal with the Latin American foreign-debt problem, Economy Minister Manuel Concha has said that a new favorable situation can be expected. He added, however, that details of such a proposal must be known first. After it was pointed out that Chile has made sacrifices to cancel its foreign debt commitments just at the time possible debt forgiveness and new credits are announced, Minister Concha said that the fact is that Chile has kept ahead of possible developments.

Colombia

FARC Guerrillas Shoot Peasants, Violate Truce
PA1303200089 Paris AFP in Spanish 1810 GMT 13 Mar 89

[Text] Bogota, 13 Mar (AFP)—Communist guerrillas belonging to the Revolutionary Armed Forces of Colombia (FARC), the oldest and largest guerrilla group in the country, have violated a truce ordered by their High Command by shooting two peasants accused of being Army informants.

The insurgents, who were operating under the orders of a woman and who were wearing uniforms similar to those worn by the Army, gathered all the men in the town square of La Pena, some 85 km north of Bogota, and, after haranguing them, separated two from the group and killed them.

The farmers Julio Hoffman, 47, and Jairo Pulgarin Campos, 32, were shot down in cold blood by the rebels. The rebels fled after explaining that they belonged to Front 22 of the FARC, the group that began a truce in early March to make way for a dialogue process with the government.

The FARC High Command—led by Manuel Marulanda Velez, alias Tirofijo, and Jacobo Arenas—which is headquartered in a mountain hideout in the Andes in the southeastern province of Meta, has maintained complete silence regarding the disobedience of some of its members.

Liberal President Virgilio Barco's administration has made talks with the FARC leaders contingent upon a real show of peace from that organization, such as that shown by the leftist 19 April Movement, which surrendered its rifles and began a dialogue with government authorities.

In addition to the violation of the truce by one of the FARC's 32 fronts, other subversive groups continued their activities in the past few hours, particularly in the province of Antioquia, where a policeman was killed by rebels of the pro-Cuban Army of National Liberation (ELN).

This incident occurred in the town of Caramanta, where there was a shootout on Sunday when rebels attempted to attack a bank and policeman Julio Cesar Montoya intervened.

Another unit of the ELN, the only group that has rejected all attempts to reach peace and has instead increased its attacks on Colombia's oil infrastructure, staged a propaganda raid on the town of Vegachi, also in Antioquia. The subversives painted revolutionary slogans.

Meanwhile, the Defense Ministry announced in this capital today that fighting has continued between regular troops and guerrillas of the Maoist People's Liberation Army in the jungles close to the towns of Salgar and Concordia, also in Antioquia, where five insurgents were killed. One policeman was killed and another injured in the fighting.

2 Kidnapped U.S. Missionaries Released

PA1303201389 Buenos Aires REUTER in Spanish
1933 GMT 13 Mar 89

[Text] Bogota, 13 Mar (REUTER)—Two U.S. missionaries kidnapped 50 days in southern Colombia by several unidentified persons were released today after they were "tried" in that region, members of their religious community announced.

Roy Libby and Richard Grover were kidnapped while attending a meeting of the Colombian evangelical mission in the town of Florida, El Valle Department, 300 km southeast of Bogota.

According to a statement by the religious mission, the two U.S. citizens were released last night near the town of El Llanito by an unidentified group called itself "EXT" [expansion unknown].

The statement added the two missionaries were kidnapped to determine if they had any ties with the Central Intelligence Agency or the Drug Enforcement Administration.

Miguel Perez, the religious' group spokesman, told reporters the kidnappers decided during the course of the trial the missionaries had no links to those two organizations and released them.

The U.S. Embassy in Colombia confirmed the report on the men's release and added they were in good health.

The mission's spokesmen said the missionaries will return to their country today.

Colombian authorities have no information on the EXT group, but witnesses said it could be a drug traffickers' group called The Extraditables.

Witnesses also said the kidnappers had painted slogans referring to drug baron Carlos Lehder, who was extradited to the United States in February 1987.

However, the authorities did not confirm that report.

Paraguay

Judge Orders Former Officials Imprisoned

PY1003205989 Asuncion EL DIARIO in Spanish
10 Mar 89 pp 24, 25

[Text] Criminal Judge Eladio Duarte Carballo has ordered the imprisonment of those people arrested for crimes against the state and public administration. This measure affects those former public servants who have been already questioned.

The judge also impounded assets worth 800 million guaranies from each defendant to guarantee their liability. The judicial decision also establishes that the detainees will continue to be held at police headquarters.

The judge ordered the imprisonment of Dr Adan Godoy Jimenez, former public health and social welfare minister; Mario Abdo Benitez, former presidential private secretary; Ramon Aquino, former Colorado Party precinct president for the Chacarita shantytown; Justo Eris Almada, former manager of Paranagua Free Port; Dr

Delfin Ugarte Centurion, former industry and commerce minister; Carlos A. Ortiz Ramirez, former education minister; and Dr Cesar Romeo Acosta, former Central Bank president.

Former deputies Raul Ernesto Villalba and Juan Eudes Pereira and former justice and labor minister Eugenio Jacquet have still to be questioned.

Charges Under Law 209

PY1003163389 Asuncion HOY in Spanish
9 Mar 89 p 22

[Excerpts] Dr Adan Godoy Jimenez, Raul Ernesto Villalba, Ramon Quino, and Manuel Modesto Esquivel, all of whom are being prosecuted for crimes against the state, will be also charged with violating Law No 209 (Law for the Defense of Public Peace and the Freedom of People), for they have allegedly promoted violence and hatred among Paraguayans. Police charged that the accused made such statements as: "We will invade churches if necessary," "we will take to the streets with our assault squads," "we will arm the militias."

The most important news at the courts yesterday was that Law No 209 will be enforced in the cases of four people who are being prosecuted for crimes against the state. The four are former Health Minister Andan Godoy Jimenez, former Stroessnerist militant Deputy Raul Ernesto Villalba, Manuel Modesto Esquivel, and former Chacarita Colorado precinct President Ramon Aquino.

These men are being held at the central police headquarters. On 8 March, police submitted to Judge Eladio Duarte Carballo—who is hearing the case—a long document describing the charges against the former high-ranking government officials.

According to official reports, former President Stroessner City Colorado precinct President Juan Eudes Pereira will be prosecuted on charges of smuggling. The four others will be prosecuted for crimes against the state. [passage omitted]

At 1700 tomorrow, former Deputy Raul Ernesto Villalba will be questioned about such crimes and about his alleged violation of Law No 209 by advocating violence and hatred, especially during the rule of the militant faction. He might have also inappropriately enriched himself at the expense of the state.

Eudes Pereira will be in court at 1700 on 13 March. He has also been charged with crimes against the state and with violating Law No 209. His lawyer is Oscar Alberto Cuevas. On 14 March, the judge will question former Labor Minister Eugenio Jacquet who is charged with illegally obtaining wealth and with embezzlement. Jacquet was abroad when the political incidents occurred in our country. His residences were raided on court orders.

Colorado Party Reaches Agreement on Unity

PY1103111589 Asuncion Cerro Cora Sistema Nacional
Television in Spanish 2300 GMT 10 Mar 89

[Text] Just 10 minutes ago, we received an official report that the unity of the Colorado Party has been formalized. The traditionalist faction obtained 23 positions within the Party Executive Board while the other factions obtained 12 positions.

Former Interior Minister Departs for Honduras

PY1103112889 Asuncion Cerro Cora Sistema Nacional
Television in Spanish 2300 GMT 10 Mar 89

[Excerpts] Finally, after lengthy negotiations aimed at obtaining asylum, negotiations that lasted 37 days, the former strongman of the defunct regime, Dr Sabino Augusto Montanaro [former interior minister and former president of the ruling Colorado Party] left Paraguay today for Honduras.

Unexpectedly, in response to an alleged telephone call that a bomb might be on board the plane, a DC-10 VARIG airliner, scheduled to leave Asuncion at 1600 local time, was delayed. It was taken to the back of the runway and a detailed check by bomb squad experts was carried out.

The luggage was then taken back on board after a very careful search by airport personnel and police and military experts. The airliner then taxied to its take-off position on the airport runway, thus ending a stage of Paraguay's history. [passage omitted]

After a 2-hour delay caused by the bomb threat and ensuing search, the plane took off for Rio de Janeiro with layovers in Foz de Iguazu and Sao Paulo. [passage omitted]

Electoral Board Officially Recognizes PLRA

PY0903173189 Asuncion EL DIARIO in Spanish
9 Mar 89 pp 8, 9

[Text] The Authentic Radical Liberal Party, PLRA, was officially recognized by the Electoral Board yesterday. The Electoral Board made this decision after an extensive extraordinary meeting that was also attended by members of the Liberal Party [PL] and of the Radical Liberal Party [PLR], who were staunchly against the PLRA's recognition.

Thus the PLRA, described as a true opposition party, has been legalized despite the staunch opposition of the so-called "paid opposition parties" [zoqueteros] which apparently do not want to run against the PLRA in the upcoming 1 May elections.

Hermes Uliambre and Julian Basualdo, from the PLR; and Raul Martinez from the PL, questioned the use of the name and party symbols by the PLRA basing their

case in Article No. 21 of the electoral statute. However, their case did not get much support because the PLRA request was approved by a majority.

Electoral Board Chairman Expedito Rojas said that it was an extensive meeting because, basing their case on the electoral law, the PL and the PLR opposed the legalization of the PLRA.

Rojas added that "this dispute must be cleared by the courts because it is not the duty of the Electoral Board to clarify disputes of this nature." He said that the Electoral Board only approves those political parties that comply with the legal requisites but it cannot dissolve a party. [quotation marks as published]

Speaking about the extent of the competence of the Electoral Board in possible conflicts between political sectors, Rojas said: "the Electoral Board must respect the competence of the courts which can order political parties to change their names only after the Electoral Board had issued its ruling."

Expedito Rojas added: "Once recognized, the PLRA can enjoy all the rights of a legalized party. Moreover, registration slips will be distributed so that the PLRA grassroots can properly register, or do whatever they prefer."

Rojas stated that the PLRA will now be treated like any other political party that has been recognized by the Electoral Board.

After recognizing the PLRA, the Electoral Board addressed a note to PLRA President Domingo Laino in which it informs him that in an extraordinary meeting, the Electoral Board has recognized the PLRA.

During the meeting the Electoral Board also discussed the request submitted by the Christian Movement, Blanco Party, for its recognition. However, such recognition was postponed because this party does not meet the requirements established by law.

HOY Names New Editorial Council Members
PY0903230389 Asuncion HOY in Spanish
9 Mar 89 p 12

[Summary] HOY today named a new editorial council that will be responsible for the editorial policy and reporting of the newspaper. The contract was signed by HOY Director General Humberto Dominguez Dibb and by new council members Ruben Bareiro Saguier, Carlos Villagra Marsal, Manuel Pesoa, Antonio Salum Flecha, and Francisco Perez Maricevich.

Venezuela

COPEI Calls for Suspension of Debt Payments
PA1403030389 Caracas Venezolana de Television
Canal 8 in Spanish 0023 GMT 14 Mar 89

[Text] Eduardo Fernandez, secretary general of the Social Christian Party [COPEI], today proposed that foreign debt payments be suspended while a meeting of the presidents of the Group of Eight is convened in order to discuss the repayment of the foreign debt. Fernandez said U.S. Treasury Secretary Nicholas Brady has made new proposals regarding the foreign debt problem that are beneficial to Latin America. He said that for this reason, our countries must raise the need to create a multilateral agency to absorb the debt. This way we will not have to kneel before the IMF and have it impose conditions on us.

[Begin recording] [Reporter] Doctor, do you believe, therefore, that the events of 27-28 February have truly led Brady, and the United States in general, to grant better conditions to repay the debt?

[Fernandez] I think they had an influence, without a doubt. The United States has been working on this for a long time. Before the events in Venezuela, there had been civil disturbances in Brazil and very painful events in the Dominican Republic, Mexico, and Argentina. However, the events in Venezuela were so serious that they moved the heart of the U.S. Government. [end recording]

Finally, Fernandez expressed concern over the disappearance of Enrique Ochoa Antich and Ignacio Ramirez Romero, and asked the government to give information to their relatives to avert a recurrence of this reprehensible practice, which is abolished in a democratic system.

In addition, an expanded meeting of the COPEI national committee will be held Tuesday to discuss the incidents of 27-28 February.

Government Issues Job Stability Decree 13 March
PA1403011489 Caracas Venezolana de Television
Canal 8 in Spanish 0010 GMT 14 Mar 89

[Text] An Executive Branch decree establishing job stability for 120 days—4 months—went into effect today, Monday, 13 March. This decree is based on Article 26 of the Labor Law protecting workers' jobs and was issued following an agreement between the government and the Confederation of Workers of Venezuela, CTV. This job stability decree will be in effect for 120 days—4 months—and goes into effect after it is published in the Official Gazette.

Another CTV request to the Executive Branch was that salary increases be given for job positions and not for the people who hold those positions.

The CTV also asked that more products be included in the basic food basket and that household appliances be added to it.

CTV President Juan Jose Del Pino explained the steps to be followed by workers dismissed without justification.

[Begin Del Pino recording] We have told unions to go to the Labor Office to report unjustified dismissals so that they can request the reinstatement of those workers and demand payment of unpaid wages. [end recording]

Article One of this decree establishes that management cannot dismiss an employee unless it has been previously proven that the employee committed one of the infractions listed as justified causes for dismissals.

In this regard, Attorney General Jesus Carmona explained the extent of the decree:

[Begin Carmona recording] The job stability decree states that, effective immediately, any employee dismissal will have to be confirmed by the labor office with jurisdiction over the particular workplace. The labor offices will have to determine if it is true that the dismissed employee committed one of the infractions listed in the labor law as a justified cause for dismissal. [end recording]

However, there are exceptions. Those excluded from this decree are: 1. workers hired for a specific period of time whose term is completed. 2. workers hired for a specific project when this project is completed. 3. management employees or employees who act as the owner's representatives. 4. temporary and domestic workers.

University Official Denies Rumors of Disturbances
PA1403023889 Caracas Venezolana de Television
Canal 8 in Spanish 0010 GMT 14 Mar 89

[Text] Speaking on behalf of students, Luis Rosales, president of the Federation of University Centers [Federacion de Centros Universitarios—FCU] of the Central University of Venezuela, has categorically denied the rumors that students are disrupting the peace.

(Virgilio Avila Vivas), governor of the Federal District, received Rosales and other FCU members. They reiterated to (Avila) the students' solidarity to keep the peace.

[Begin Rosales recording] We have visited the governor's office because there have been rumors lately that I am dead and that the student movement is preparing marches and demonstrations and is taking to the streets.

Therefore, we wish to tell the nation that the Venezuelan university student movement is a serious and responsible movement. Our only activities have consisted of charging that a number of students have been arrested

and are being held at DIN [expansion unknown] headquarters and at Tiuna Fort. We have been asking for their release because they have not been involved in any actions.

We want to warn the public because this may result in nefarious consequences. There is already a regrettable number of dead, and we want to contribute to the nation's tranquillity so that, after the situation returns to normal, constitutional guarantees may be restored and we, the students, may fully enjoy them and be able to engage in our usual activities, such as civic protests within the framework of democracy.

Once again, we ask that the arrested students be freed. [end recording]

For his part, the governor thanked the students for their visit and reasserted that the university authorities and student leaders have helped achieve and preserve peace.

[Begin (Avila) recording] I believe Rosales and his companions have made a civic effort—as he said—to bring to an end this wave of rumors, which is doing no one any good and, by repeating them, are keeping the citizens in a regrettable situation. [end recording]

Finally, (Avila) expressed the hope that this dialogue between the students and the executive branch will continue.

[Begin (Avila) recording] What is important in this case is what Luis Rosales, the citizens at large, and we want—calm and normalcy in our country. [end recording]

Perez Calls on Private Sector To Help Economy
PA1303193389 Caracas Venezolana de Television
Canal 8 in Spanish 0000 GMT 11 Mar 89

[Report by Omaira Botello on statements by President Carlos Andres Perez at the inauguration of the Expo-Industry'89 Fair in Caracas; date not given]

[Text] Venezuelan President Carlos Andres Perez said today that democracy is fully operating throughout the country. President Perez made this statement during the inauguration of the Expo-Industry'89 Fair held at the (?Poliego) in Caracas. Perez called on Venezuelan businessmen to support the government in its attempts to maintain labor stability and balance and thus to contribute to social peace.

[Begin Perez recording] I am bent on achieving social peace through concerted efforts. I have repeatedly said this to the FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] directorate; and, 3 or 4 nights ago, during a meeting with Venezuelan businessmen at Miraflores Palace, I again reiterated this call. I am hoping they will support this effort. If they do not, I will approach the workers, who are also concerned about the firing that is going on.

In times like these, we must all make sacrifices. I know that many companies are facing temporary personnel reductions. However, if the government can subsidize sectors that are in trouble, so can the private sector. The private sector must help maintain social stability and cooperate with the government in its efforts to maintain labor stability, thus preventing another suspension of individual rights. This is essential during times like these. [end recording]

President Perez optimistically said that Venezuelan businessmen can develop the nation's industry, and he urged them to work harder and with greater faith in the country and the democracy that supports us.

Perez Letter Sent to Chamber of Commerce
*PA0903193689 Caracas Venezolana de Television
Canal 8 in Spanish 0000 GMT 9 Mar 89*

[Letter from President Carlos Andres Perez to the Federation of Chambers of Commerce and Industry on 8 March]

[Text] Miraflores, 8 Mar 1989

Hugo Fonseca Viso, president of the Federation of Chambers of Commerce and Industry

Caracas

Dear Friend:

I will not make the mistake of getting involved in an absurd and disastrous controversy such as could result from the public correspondence you have sent me. However, as president of Venezuela and as a Venezuelan who has devoted his entire life to the struggle for democracy, social justice, and the equitable distribution of wealth and well-being, I must respond to the statements you addressed to me. I disagree with substantial portions of your statements, but I will not cast doubt on the good faith and spontaneous sincerity with which they were made.

The existence of wealthy individuals in Venezuela is not a source of pride for me, but I do not consider their existence objectionable, nor do I intend to confront them or insult them, much less accuse them of having promoted incidents such as the ones Caracas experienced during that dramatic 1st week of March. However, I do feel deeply anguished to see there are poor people, so many poor people, in Venezuela, and that the gap between the wealthy and the poor is widening. In other words, the unjust distribution of wealth is becoming increasingly serious.

Had you taken the time to read my statements to foreign reporters, you would have noticed I told them the incidents on 27 and 28 February and during the 1st few days of March had been the result of a social outburst, a protest against wealth, over the growing poverty of

various sectors of Venezuela's population, which affected the owners of small businesses in the neighborhoods. Those were my exact words, which were not intended to offend the wealthy but to underscore the serious social conflict that has taken shape within our society and the responsibilities of the political parties, political leaders, government, and some economic sectors that defend certain privileges as acquired rights and intend to continue living as if nothing were happening in Venezuela. I concluded by saying I would not apply specific responsibilities to anyone. I said that despite the defects, vices, and corruption in our system and society, Venezuelan democracy has been very positive.

This was the import of my words, which scandalized some people because they thought I had dared to express hatred for the altar of wealth. No, I do not pray at that altar nor do I include myself among those who curse it. I believe in and am struggling for a society where—as the phrase goes—the wealthy are not so wealthy, and the poor not so poor. I do not believe in class struggles, but I do believe it is dangerous to deny poverty. Overall, my assessment for the foreign press—which was sincere, objective, and free of all treachery—concluded that my main concern is that we are all to be blamed for the growing disbelief in the democratic regimes' ability to confront critical poverty and social injustice. In addition to our own mistakes, I blamed the international economic system, which has acted irresponsibly in suggesting how the developing countries should pay their debts, and I blamed the IMF's mechanisms.

Finally, a word of praise for our businessmen and workers to counterbalance the import of my statements regarding the wealthy and wealth. A worldwide phenomenon is taking place within Venezuela's economic sectors: These sectors have accepted the facts, yet they are unwilling to accept the sacrifices imposed on them. I must say, nevertheless, the business leaders have been very receptive. Had we been able to raise the private sector's salaries at my government's request through an agreement between the businessmen and employees, it would have implied a very good understanding of our current situation.

In conclusion, my friend Fonseca Viso, I must say I am very pleased and encouraged by the attitude, understanding, and cooperation of all the business sectors in the country after the dramatic incidents we experienced. Cordially,

Carlos Andres Perez

Minister Says Economic Plan To Continue
*PA0903172789 Madrid EFE in Spanish 0148 GMT
8 Mar 89*

[Text] Caracas, 7 Mar (EFE)—Venezuelan Coordination and Planning Minister Miguel Rodriguez said today that despite last week's massive riots in Venezuela, the Carlos Andres Perez administration does not intend to alter the major points of its emergency economic plan.

Rodriguez was summoned to the Venezuelan parliament by deputies of various political parties to explain the government's position formulated after last week's disturbances which, according to official figures, resulted in 256 deaths attributed to gunshot wounds and an unknown number of deaths attributed to other causes.

Rodriguez said that the Executive Branch is very willing to revise several details of the plan, developed in accordance with IMF recommendations. However, the Executive Branch will not modify the plan's major points.

Rodriguez explained that the economic plan was not the cause of the riots, because "the plan had not yet been implemented." He added that the riots had been caused by an increase in public transportation fares, which, in turn, had been triggered by an increase in gasoline prices. According to Rodriguez, the gasoline price increase was a necessary measure that had to be adopted immediately and independently from the economic plan.

In Rodriguez' opinion, the unrest was caused "by an actual drop in salaries," which had been affecting the majority of Venezuelans for the last 10 years—except in 1986. Rodriguez attributes this salary drop to the "hiring policies" applied in Venezuela, which have depleted the country's international reserves.

In this regard, Rodriguez recognized that the previous administration, headed by social democrat Jaime Lusinchi, made the serious mistakes of neglecting to confront the problem of the depletion of capital and of paying for imports through the issuance of letters of credit without having the necessary funds. Rodriguez recalled that other previous errors led to a \$30 billion capital drain, money the country now needs to support its development process.

He said that a significant portion of the interest on the foreign debt paid by Venezuela is later indirectly received by Venezuelans who have placed their capital abroad. Rodriguez later pointed out that everyone must share the country's problems and that all segments of society must contribute to finding a solution to the crisis. He warned that Venezuela will end up having problems similar to those in other countries in the region unless it readjusts its economic policy.

He defended the government's plan, adding that it will succeed in revitalizing production and controlling inflation as of 1990. Rodriguez denied that the government's economic program is a "shocking plan," adding that, quite to the contrary, it involves gradual planning so that the "cost" of the adjustment will not have to be paid by the lower class.

He added that the government is simultaneously adopting supplementary policies to promote exports and to modify duty, tax, and exchange systems. This, he said,

will ensure that the plan is coherent throughout. Rodriguez' statements followed an explanation by Interior Affairs Minister Alejandro Izaguirre on the measures taken by the government during the recent disturbances.

Colombia's Londono on Relations, Recent Actions
PA1103032489 Caracas Venezolana de Television
Canal 8 in Spanish 0000 GMT 10 Mar 89

[Text] Colombian Foreign Minister Julio Londono Paredes has issued statements at Miraflores Palace—shortly before he left for Puerto Ordaz, where the Group of Eight foreign ministers are scheduled to meet—saying there is currently no agreement for the immediate delimitation of marine and submarine areas.

The Colombian foreign minister emphasized that this must not be the only basis for bilateral relations because Venezuela and Colombia have close ties. He mentioned recent events during which his country sent us approximately 50,000 tons of food. He added that Venezuela would have done the same in a similar situation.

[Begin Londono recording] The delimitation of marine and submarine areas in the Gulf of Venezuela is not the basic issue in the two countries' relations. There are much more important topics right now that must be discussed so we may act together. Therefore, I do not think Colombian-Venezuelan relations can be based on one single issue. [end recording]

Likewise, Venezuelan Foreign Minister Enrique Tejera Paris reviewed Londono Paredes' visit and described it as satisfactory. He mentioned prevailing expectations and possible agreements that could be achieved in Puerto Ordaz.

[Begin Tejera recording] I was honored to have Colombian Foreign Minister Julio Londono and Peruvian Foreign Minister Guillermo Larco Cox accompany me on my trip from Quito, where we attended the Amazon Pact meeting. We will now meet with the other Group of Seven [as heard] foreign ministers in Ciudad Guayana. [end recording]

President Carlos Andres Perez is scheduled to arrive in Puerto Ordaz tomorrow afternoon. Once the event is officially opened, the president will host a dinner to honor the foreign ministers.

*** Economic Adjustment Program Announced**
33480218 Caracas EL NACIONAL in Spanish
1 Feb 89 p D 6-7

[Article by Amado Fuguet V. and Agustin Beroes:
"Program of Economic Adjustments"]

[Text]

Imbalances Justify the Program

According to the most recent diagnosis prepared by the economic cabinet appointed by Carlos Andres Perez, the president-elect, the economy grew over the past 3 years, despite the extraordinary fall in petroleum prices in 1986 and which significantly reduced export income.

The growth over the last 3 years averaged about 5 percent, in real terms. Despite this positive indicator, a series of very important, macroeconomic imbalances were also stimulated and developed due, in part, to the fall in petroleum income on the order of \$5.0 billion annually and which has not yet recovered. And, on the other hand, those imbalances developed due to the implementation of erroneous economic policies carried on by the last few governments.

External Imbalance

There is a serious disequilibrium in the balance of payments which can be summed up in the negative trend of exports and imports and which found its greatest expression in 1988.

The analyses point out that if a different policy of investment in the public sector had been carried out, Venezuela would have been in a position to handle the blow of the fall in petroleum income in a different way: for example, if the programs for the expansion of basic industries, which had been under consideration since the time of the Fifth National Plan, had been undertaken prior to 1987.

However, not only did the fall in petroleum income make itself felt in terms of public investment, it also influenced what was eliminated in terms of private investment. This is what caused the greatest of the imbalances.

In Venezuela there has been a long-term overvaluation of the rate of exchange which has prevented investments and private exports from increasing. Over time this led to the fact that an exportable surplus was not created.

The president states that the last few governments have not had to bear responsibility for their inappropriate conduct of economic policy.

Fiscal Imbalance

There is a serious imbalance in the accounts of the public sector, which totaled about six percent of gross national product in 1988. This is a very large percentage for the public sector of any economy. On the other hand, it is a deficit which cannot be financed from abroad, because countries which have such large deficits do not obtain any substantial external financing. Nor are the private sectors of the countries concerned prepared to finance anything. The program which is being discussed in this article proposes to reduce this deficit to 2.5 percent

during the present fiscal year and to eliminate it entirely in 1990. The other way to finance this budgetary gap, as in the case of the other Latin American countries, involves the issuance of paper currency by the Central Bank. This would create a serious economic problem because it would become a source of chronic inflation which, in turn, could become a serious symptom of democratic destabilization.

It was basically the fall in petroleum income which caused this serious imbalance in the public sector. However, the deficit itself is not due to an excess in public expenditure. Rather, it is due to the fact that the credit base of the public sector in Venezuela is precarious; dependence on petroleum has created this situation. We do not have a tax base to turn to. The tax burden on the private sector in Venezuela is barely 5 percent of GNP [gross national product], whereas it is from 30 to 50 percent in all countries of the world.

It is necessary to broaden the tax base and, consequently, the income base of the public sector.

The overvaluation of the exchange rate also has a negative impact on fiscal accounts, because rates of exchange are more important in the public sector. This is true because, apart from petroleum, the public sector is the exporter of 90 percent of everything. This is an important matter for the accounts of the public sector. When the rate of exchange is overvalued, the accounts of the public sector are penalized in terms of its income. Overvaluation has a negative impact on the balance of payments and on the creation of fiscal disequilibrium.

Price Imbalance

In the justification for the structural program of economic adjustments it is argued that, because of the fact that we have so many resources and such large sales of petroleum, the prices of goods and services in the public sector have failed to keep pace to an extraordinary extent. In Venezuela a liter of gasoline costs one tenth of what a liter of drinking water costs. The price of gasoline is at least 800 percent below what it should be. The price of other petroleum products, such as diesel fuel, is 1500 percent below what it should be. Fertilizers are sold for 20 percent of the cost of producing them. As a result, the subsidy on fertilizers amounts to 80 percent of the cost. It is suggested that goods can be subsidized, but not given away, because this creates a problem of income for the enterprises which produce goods and services and other serious and grave difficulties in the allocation of productive resources in the country.

Foreign Exchange Imbalance

In this area it is noted that there is a clearly overvalued, official rate of exchange and a free market rate which is 150 percent above the official market. This produces a whole series of distortions in the allocation of resources to the productive sector and to investment. With the

resulting foreign exchange differential, what has happened is that there has been a massive amount of overinvoicing of imports, as well as underinvoicing of exports, over the past 2 years in Venezuela. Contraband trade has grown in an alarming way.

In the case of imports, the favorite trick has been to obtain U.S. dollars at the rate of 14.50 bolivares and then to sell them at the free market rate. The system of differential exchange rates has produced problems in the redistribution of income and other distortions which must be brought to an end, such as in the markets where goods and services are sold in U.S. dollars. If Venezuela wants to promote its nonpetroleum exports and achieve effective import substitution, it must do away with differential foreign exchange rates and follow the system of the countries which have been successful in such an export task. That is, by establishing a single and competitive rate of exchange which will make the sale of its products abroad more attractive.

If it is true that the strategy must be one of growth over the long term, it must be based on the growth of nontraditional exports, and requires a single exchange rate system.

Financial Imbalance

Another obstacle which keeps us from achieving the goal of sustained, noninflationary growth over the long term is the policy on interest rates and financial imbalances.

There is a system of financial repression and of controls over interest rates which has promoted a parallel credit market with high rates of interest. The process for the distribution of credit is absurd and negative. Self-financing is one of the most evident characteristics of the distortion which can be seen in the financial sector. Savers are really paying for the difference between active and passive rates of interest, with excessive rates of profit for the banking industry.

External Debt

The government should make a 180-degree change of course in the policy on handling the external debt. It must be clearly shown that the principal cause of the collapse of international reserves was not the fall in petroleum income, but the handling of indebtedness and the payment of the external debt. All of the interest and more than \$5.0 billion of the principal have been paid. We should make use of the international, multilateral financial markets and the private banking industry to finance the deficits and to resolve the lack of international reserves.

Despite this overall picture which is complex and negative, Venezuela is in a relatively advantageous situation. It still has the capacity to obtain external financing because it has repaid part of its debt. The net ratio of external debt to exports is about 2 to 1, a figure which is

fairly good on the average. For Brazil and Mexico the corresponding figure is about 5 to 1 and about 9 to 1 for Argentina. We have a low level of indebtedness and we are perfectly able to reprogram the payments on our debt over the next few years, while increasing the debt itself, since Venezuela has still not used such sources of finance as the International Monetary Fund, the World Bank, and, in an effective way, the Inter-American Development Bank.

1989, the Critical Year

The program of structural readjustments in the economy presupposes that 1989 will be the most difficult year, considering that noninflationary growth will begin to take place after 1990. This means that during 1989 the economy will behave in a way contrary to the general purpose of the plan. That is, there will be no growth in 1989 but there will be inflation.

For this reason the program of economic adjustments, which will have the financial support of the International Monetary Fund, the World Bank, the Inter-American Development Bank, and the international private banking industry, implies that actions taken in 1989 by the government of President Perez will concentrate on or will emphasize social expenditure, in order to reduce the impact of the measures taken on the middle and lower classes of the people.

Nevertheless, cost inflation in the order of 40 percent is forecast for 1989. That is, 5 percent above the inflation which took place in 1988. To this will be added the increase in prices held down by the Lusinchi government and which will now take place.

According to the analyses of the economic cabinet, it will be necessary to take action to contain the impact of the economic program during its first year of implementation, since the foreign exchange and price adjustments will fundamentally generate cost inflation.

The strategy anticipates that it will be after 1990 that positive results will begin to be seen, and it will be in the following 4 years in office of the government that the costs of investment and infrastructure will increase.

Over the short term, in any case, certain public investments will be continued which guarantee the continuation of important public works and infrastructure projects, especially those concerning housing.

The new economic team states that if the adjustment program is not undertaken, inflation would reach 150 percent in 1989 alone, and the worst economic crisis would be generated, such as a mix of a very pronounced deficit in the balance of payments and a shortage of international reserves.

Objectives and Courses of Action

On the basis of the above diagnosis, a strategy of economic policy has been designed for the long term. Its central point is to exploit to the maximum extent the growth potential which Venezuela has, as well as the structural advantages which the national economy still has. The objective to be pursued is that of sustained growth without inflation over the next few years. According to the members of the next economic cabinet, there are circumstances which make us structurally different from the other Latin American nations, which have had to grow economically over the last few decades with a very accentuated component of inflation and social instability.

Objectives

The overall objective of the structural program of economic adjustments which Carlos Andres Perez, the new president, will announce on 2 February for the next 5 years of his constitutional term is none other than achieving accelerated economic growth without inflation, beginning in 1990.

Other objectives related to the fundamental goal are the following:

- 1) reducing inflation drastically;
- 2) correcting the external imbalance as a matter of priority;
- 3) correcting imbalances in the fiscal, public, monetary, foreign exchange, trade, price, and financial sectors.

Long-Term Actions

Foreign exchange policy: a single, competitive, and floating rate of exchange.

Trade policy: actions to be taken in the trade and customs fields to achieve the rapid consolidation of a selective system of import substitution and to expand export promotion.

Fiscal and public sector policy: the promotion and growth of public expenditure.

Monetary policy: equilibrium in the country's external accounts.

Taxation policy: tax reform to broaden the base for harnessing the funds of the public sector.

Income tax policy: income tax reform.

Price policy: freeing prices for the goods and services of the public sector.

Financial policy: freeing rates of interest.

Privatization policy: the return to the private sector of enterprises in the public sector which were previously in the hands of the private sector.

Financing policy: access to multinational sources of funds and to the international private banking industry.

Salaries policy: increasing salaries in the public sector not covered by collective bargaining.

Customs Reform and a New Trade Policy

With the intention of strengthening a selective system of import substitution and for the direct promotion of exports the new administration will bring forward a customs reform program which will simplify the controls for the protection of domestic industry and which will orient this industry more effectively toward foreign markets.

Rational use will also be made of foreign exchange earmarked for imports, especially by the private sector. Although we will move toward the free convertibility of our currency on the basis of a single and floating rate of exchange, this strategy will be supported by an industrial policy worked out in cooperation with the private sector.

Businessmen To Participate in INCE and IVSS

The program of adjustments includes the reorientation of the National Institute of Cooperative Education (INCE) and the Venezuelan Institute of Social Security (IVSS).

In both cases it is intended to give a greater participatory role to the private sector, both in the financing of the programs of these institutions, as well as in the programs which they must carry out.

The new government considers that the expenditures of these institutions is steadily increasing. Therefore, resources should be shared between the public and private sectors.

In the case of the INCE, the training of workers should be undertaken in accordance with job demand.

Joint commissions will be established between the state and business firms to deal with these points.

Bank Guarantee Funds for Small Industry

The small and medium-sized industry sector will be basically supported by the establishment of a Bank Guarantee Fund. This institution will provide resources to producers in this sector who have no access to credit from the banking sector, due to a lack of financial backing.

In this way the banks will run no risks on the loans which they make to companies in this sector, and the industries concerned will have sufficient resources for working capital expenditures and for investment.

National Conciliation Commission To Be Established

In order to harmonize positions within the incoming government itself and between the government and the opposition, labor and management, and the basic factors exercising influence in Venezuelan society, the new administration will provide for the establishment of a national conciliation system. This will provide a basis for reaching agreements which will make possible the functioning of a series of institutional agreements, at all levels, to guarantee the plan of structural adjustments to the economy.

These agreements will be between gentlemen, signed and made public, with the responsibilities set forth for each participant involved in each one of the matters under discussion.

Only a process of conciliation at all levels will make it possible to bring to a happy conclusion the objectives which the new government proposes to reach, including the achievement of major, structural changes within the democratic system.

Single Foreign Exchange System

Commercial banks will handle foreign exchange transactions, but the PDVSA [Venezuelan Petroleum, Inc.] will continue to turn its foreign exchange earnings over to the BCV [Central Bank of Venezuela], at the daily rate of exchange.

Through its foreign exchange desk the BCV will intervene in the market to maintain maximum and minimum floating exchange rate bands.

It is hoped that about \$1.3 billion in capital will be brought back to Venezuela in 1989 under the incentive of higher rates of interest. A foreign exchange futures market is being studied to establish confidence and to contain the demand for foreign exchange.

The single foreign exchange rate will be established gradually during the first few weeks the new government is in office. The preferential rate of exchange in effect up to now will be allowed to float and will slowly approach the rate for the U.S. dollar on the free market until a single exchange rate is achieved. All economic bodies, without restriction, will have free access to this market. This means that there will be no exchange control, and exchange allocations for imports will disappear immediately.

The real exchange rate which the government is setting as a goal will range between 25 and 27 bolivares to the U.S. dollar, although the authorities prefer not holding

to this objective in a rigid way, since they consider that the market will determine the rate of exchange. This is a matter of supply and demand.

The public will be able to buy and sell dollars in commercial banks, which are set up to handle the exchange system, although transactions will also be handled by foreign exchange dealers. Nevertheless, buying and selling operations in foreign exchange by government bodies, and especially Venezuelan Petroleum, Inc., will be handled directly with the Central Bank at the market rate, that is, at the daily rate. Private exporters will sell their foreign exchange directly on the foreign exchange market.

The Central Bank and the government hope to obtain \$5.0 billion from various external operations. This will begin with a bridge loan of \$1.8 billion which creditor country institutions and the international banking community will provide. The rest will come from the IMF, the World Bank, the Inter-American Development Bank, and the sale of gold futures, with delivery in 5 years and with a grace period of 2 years.

In the same way the objective is to generate the return of about \$1.3 billion in capital, which will provide an additional supply of foreign exchange to the market and will also serve to stabilize the free rate of exchange. This return of capital, according to the economic cabinet, will be achieved with the incentive of high, positive interest rates, which will stimulate domestic savings. This will also reduce demand for foreign exchange, and, consequently, foreign exchange pressure will be less.

The Central Bank of Venezuela will intervene in the market through its foreign exchange desk to take care of demand, to control supply, and to avoid erratic fluctuations. In this sense a floating band will be permitted for the bolivar in terms of an average price for the U.S. dollar. This band will be determined by a floor which will make exports competitive and a ceiling which will not generate greater inflationary pressures due to foreign exchange costs.

Also under consideration is a foreign exchange futures market to provide foreign exchange confidence. The intention is to contain psychological demand and thereby to stabilize the free and single foreign exchange market.

Service Charges and Gasoline Price To Increase

The charges collected by public sector enterprises for the services which they provide or the goods which they sell on the domestic market will be increased. It is argued that freezing these prices and providing subsidies under these headings generate deficits in these publicly owned bodies. As a result, they exert further pressure on the deficit of the consolidated public sector.

The adjustments will involve electricity, telephone, and water charges, as well as the prices of gasoline and of goods produced by companies in Guayana, such as steel, iron, aluminum, pipe, cable, and other products.

Special Body To Handle Privatization

The incoming government will establish a special body to take charge of privatizing more than 300 state owned companies. It is considered appropriate for them to be managed by private companies.

The privatization process will be progressive and systematic. The special body will make a list of such existing companies and will determine the value of their assets and the feasibility of eliminating state participation in them.

The fundamental principle, according to official spokesmen, is that the companies will be acquired by the emerging private sector, to keep them from being absorbed by monopolies and oligopolies. Consequently, the transfer will be handled "to democratize capital."

Professional persons, small and medium-sized investors, and persons who have no stock in large companies will have priority. In some cases the stock market will be used to sell the company shares.

Freeing Interest Rates Above the Inflation Rate

The Central Bank will reactivate its money desk to determine the appropriate rate of interest and to remove or inject liquidity into the market.

The financial policy of the government of Carlos Andres Perez has as its guiding principle the freeing of rates of interest, so that the market will determine their level. At present the average active rate (which the banks collect for the loans which they extend) is about 12.6 percent at the commercial banks, 14 percent at banks handling mortgages, and 15.6 percent in other financial institutions. The average passive rate (which the banks pay on deposits by the public) is 8.9 percent at the commercial banks, 9.9 percent at banks handling mortgages, and 10.1 percent in other financial institutions.

With the freeing of interest rates, these rates will become history. For them to become positive rates they will meet inflationary expectations. According to government forecasts, this will lead to a significant increase in rates of interest, particularly during the first few months of 1989, when the highest month-to-month inflation rates of 1989 are expected. Such an official view presupposes that if the inflationary expectations are about 40 percent, the rates will be above this level for them to be positive, and this will provide an incentive to savings.

As the official goal is that inflation will decline to an annual level and that this phenomenon will practically be eradicated by 1990, rates of interest will again decline in 1990, since, as the index of prices goes down, rates of interest can be positive, even at lower levels.

The government considers that the enormous profits which the banks made in 1988 will be eliminated with the fluctuation in the rates of interest. In 1988 they obtained resources from the public at low rates, collected commissions, and extended loans at informal market rates of about 25 percent. Official spokesmen estimate that when rates of interest are determined freely, the informal market will disappear. They even consider that, as there will be a series of loans at fixed rates of interest which will be less than the inflation rate, the banks will lose money, because they will be competing openly, offering more interest to investors.

The economic cabinet admits that the freeing of interest rates may have a restrictive and inflationary aspect, but it considers that this is a necessary and unavoidable measure to support the policy of a single, free foreign exchange market. This will be true, provided that when high, positive rates of interest are offered, the investor will prefer to place his savings in bolivares and not in U.S. dollars.

To establish quotations of interest rates at the level which monetary policy seeks, the Central Bank of Venezuela will reestablish its money desk, either to determine the appropriate rate of interest or to remove or inject liquidity into the banking system, which will also depend on the behavior of the single, free rate for the U.S. dollar.

Refinancing Real Estate Loans

In order not to harm the interests of those who have bought homes with real estate loans at a variable rate of interest, the new government is studying the refinancing of these loans with the banks involved.

The purpose of this action is to extend the time periods for the repayment of the loans. In this way it will be possible to avoid having the monthly payments under these loans increased by the corresponding increase in the rates of interest. This program will be in effect for middle class housing.

In the case of housing having a social interest—whose present price is reportedly less than 700 to 900 million bolivares (the precise category has not yet been determined)—a special interest subsidy will be provided.

Furthermore, in the tax reform program the payment of interest on real estate loans will be included as a deduction.

In the public sector a special housing program will be provided for employees of government bodies. These housing units will be reasonable in cost, and interest rates will also be subsidized.

30% Average Increase for Government Employees

Incomes policy will be concentrated on increasing income by an average of 30 percent for employees of the public sector, since it is considered that there is a movement of personnel toward the private sector, where pay is higher, especially in the technical and professional areas.

In principle, the increases for government employees will be as follows:

- Minimum salary of 3,500 to 4,000 bolivares.
- 40 percent increase for those who make less than 5,000 bolivares.
- 25-30 percent increase for those who make between 5,001 and 10,000 bolivares.
- 15 percent increase for those who make between 10,001 and 20,000 bolivares.
- 5-10 percent increase for those who make more than 20,000 bolivares.

This scale is still under discussion. However, 18 billion bolivares are being considered to cover these costs.

Special social security programs will also be set up, including housing and contributions to savings funds. In addition to halting the movement of government employees toward the private sector the objective is to reduce the incidence of corruption.

In the case of the private sector, salary increases will be negotiated through collective bargaining. The new economic cabinet believes that, as there is a low level of unemployment, competition for manpower will stimulate an improvement in workers' salaries.

Reduction in Foreign Debt To Be Negotiated

A 180-degree change of direction will be made in the handling of the external debt. In this way, on the one hand, use will be made of external financing through the International Monetary Fund, the World Bank, the Inter-American Development Bank, and international private banks.

Despite the fact that a major deficit will continue in the balance of payments on current account for the next several years, the government will seek to obtain agreement on reprogramming our external debt. It will try to obtain refinancing which will include as new conditions the indefinite postponement of repayment of the debt, obtaining as a minimum the same period of grace which the banking community has granted to other Latin

American countries. Meanwhile, the banks will be committed to provide fresh funds in an amount similar to the present payment of interest.

Negotiations will also be held on a substantial package of reductions of the debt already contracted.

Greater Deductions for the Middle Class

A tax reform bill will be brought in which, according to the new economic cabinet, will weigh more heavily on the rich and will benefit the middle class.

Up to now further details are not known, except that a consumption tax will be enacted to reduce demand.

On income tax, according to statements made by future cabinet ministers, deductions will be provided for those with middle- and lower-class incomes, and the collection of taxes from those with higher incomes will be accentuated. The range which distinguishes these categories has not yet been determined.

Collecting more taxes from those who make larger expenditures has also been suggested, to stimulate productivity in this way.

Generating a broader tax base for the fiscal budget is being sought by means of tax reform.

Establishing an Export Promotion Agency

In the package of assistance to the productive sector, the principal item is help for private exports. An institution will be established to coordinate the functions which the Institute of Foreign Trade and the Export Finance Fund presently perform separately. It will be an institution dedicated exclusively to serving exporters.

The resources available to FINEXPO [Export Finance Fund] will also be increased, so that the productive sector will obtain a larger amount of financial assistance.

The sectors which will receive the greatest incentives will be those producing semifinished and capital goods, so that an exportable surplus will be generated in these areas.

To make exportable goods more competitive, tariff duties will continue to be reduced as the cost of imported inputs declines.

Special funds will be set up to promote tourism, and a program will be studied to recondition hotels and related services.

Basic Food Basket and Consumer Subsidies

The policy of salary protection includes the establishment of a basic food basket of goods of primary necessity, as well as direct subsidies to low-income consumers.

Regarding the former, the categories of items making up the basket have not yet been identified, because several alternatives are being discussed. One of them is to include certain products to encourage a change in the diet of the average Venezuelan. Another possibility is to place in the basket those items which have the greatest impact on the index of prices, that is, items most generally consumed. The items which will be included will be frozen, and a study is being made on providing subsidies to the producer.

Providing direct subsidies to low-income consumers is also being considered, at a cost which would reportedly range between 8.0 and 10.0 billion bolivares annually. This system would be set up by providing coupons or checks. Nevertheless, there has been no final decision on the system to be put into effect. The initiation of this kind of subsidy is considered very complex.

*** Urban Development Minister Outlines Priorities**
33480220b Caracas EL NACIONAL in Spanish
3 Feb 89 p D-7

[Report by Rafael Palacio Deternoz: "Housing Subsidy Should Be Immediate"]

[Excerpts] The minister of urban development, Luis Penzini Fleury, said that the subsidy for beneficiaries of mortgage loans should be available as soon as the economic measures prepared by the incoming administration take effect. He refrained, however, from offering further details in this regard, arguing that this mechanism, which will offset the impact of rising bank interest rates, is still under study.

The new minister pledged to improve the efficiency of the Urban Development Ministry and of the agencies attached to it by employing suitable tools and implementing more harmonious programs in all of the areas linked to construction, housing and the maintenance of the existing infrastructure. [passage omitted]

Efficiency

The new minister stressed the need to exert tighter control over land that is suitable for development, while not forgetting that by the year 2000 probably 90 percent of the population will live in major urban centers. He recalled that according to statistical projections over the next 12 years some 6 million Venezuelans would need homes in which to lead anxiety-free lives. "In order to live decently in an urban environment, these people will need schools, day-care centers, retirement homes, social welfare clinics, hospitals, parks, playgrounds, gardens, restaurants, hotels, libraries, offices for neighborhood associations and other establishments," he indicated.

All of this must be supervised or regulated by this ministry. Attached to the ministry, in turn, are institutions such as the National Housing Institute, which must

undertake a program to boost the availability of developed land in the country; the Simon Bolivar Center, FEDE, FIMA and FUNVISIS [expansions unknown], among others. In other words, the ministry is inordinately large and thus has a great many things to do.

As for the current housing shortfall, Penzini Fleury indicated that 2 of the 3 million families have income below 5,000 bolivars. This makes access to low-cost housing difficult.

Four Mainstays

The urban development minister was accompanied by the ministry's new director general, Alfredo Dominicus, who outlined the strategies that they will be pursuing as of now. "The supply of low-income housing and housing for the middle class and for military and police personnel will be increased appreciably. This forces us to take a look at special financing arrangements, in other words, a sort of subsidy. A massive plan to maintain the entire physical infrastructure of educational, hospital and athletic facilities will also be undertaken," Dominicus said.

According to the deputy minister of urban development, a foundation similar to FEDE and FIMA will probably be created in the near future; it will be in charge of upkeep at the country's athletic facilities.

He added that construction is scheduled to begin on major housing developments for the middle class.

Lastly, Dominicus said that updating the Renters Law is under study to promote the construction of rental housing.

Suriname

Brazil's Sarney Meets With Desi Bouterse
FL0303194489 Paramaribo International Service
in English 1730 GMT 3 Mar 89

[Text] Last evening, Brazilian President Sarney had a meeting with the commander of the National Army of Suriname, Desi Bouterse. During the discussions, matters of mutual interest were discussed.

Commander [name indistinct] of the military authority, told our newsroom this morning that the military cooperation was also discussed. He characterized the discussions as very good.

As former government leader, Bouterse has always had good relations with the Brazilian authorities. After the elections of November 1987, this relation was continued, said [name indistinct].

Signs Cooperative Agreements

PY0303142789 *Brasilia Radio Nacional da Amazonia*
Network in Portuguese 1000 GMT 3 Mar 9

[Excerpts] President Jose Sarney will end his official visit to Suriname today. He will fly to Guyana at 1300 to continue with the last leg of his trip.

Before leaving for Guyana, however, Sarney and his counterpart Ramsewak Shankar will sign an agreement for cooperation in soybean production, an agreement for poultry raising, and an agreement in the area of telecommunications. Currently cooperation with Suriname amounts to \$17 million.

This cooperation will be supplemented by a \$7 million credit line for the conclusion of the telephone system in the interior of the country. Today, President Sarney will make a telephone call to Brazil to commemorate the completion of the first stage of the Suriname Telecommunications System, TELESUR. [passage omitted]

During his program "Chatting by the Radio" today, President Sarney said that the main purpose of his visit to Suriname and Guyana is to extend the policy of Latin American integration to these countries. He stressed that the democratic process in Suriname is consolidating and must be supported by all nations in the continent. Brazil will not fail in its duty of solidarity, Sarney added.

Sarney said that he will visit all democratic governments in Latin America before the end of his mandate. About his visit to Guyana, he said:

[Begin Sarney recording] We will have the opportunity to discuss—as I have done in other parts of the world—cooperation programs and the strengthening of friendship between our peoples. I am convinced that Brazil has an important role to play in the international arena. I have tried, through a very active personal effort, to make other countries aware of the Brazilian presence. [end recording] [passage omitted].

Sarney also talked about the environment. He said that he believes that the world press is speculating about the Amazon region. He said this responsibility belongs to the Brazilian Government:

[Begin Sarney recording] Many countries are using the excuse of defense of the environment in an attempt to interfere in our domestic affairs and are trying to put our territory under international tutelage. This disregard for Brazilian reality, Brazilian territory, and the Brazilian people's soul and strong will is intolerable. I will reiterate: Brazil is our fatherland, we are the rulers of our destiny, and we will not admit, under any circumstances, any foreign interference in our domestic affairs. [end recording]

Sarney also said that he wants to pass on a country that has recovered its democracy and economic well-being to his successor.

Departs After Press Conference

FL0303193389 *Paramaribo International Service*
in English 1730 GMT 3 Mar 89

[Excerpts] The Brazilian president, Jose Sarney, left Suriname this afternoon after a 1-day visit [words indistinct]. He was received by, among others, President Ramsewak Shankar, Vice President Henc Arron, and other top government officials.

Shortly after his arrival in Zanderij, President Sarney laid a wreath at the cemetery. He further held discussions with his Surinamese counterpart. [passage omitted]

Before leaving the country today, President Sarney held a press conference.

National Assembly Members Meet With Brunswijk

FL0103114389 *Hilversum International Service*
in English 1030 GMT 1 Mar 89

[Text] In French Guiana, the deputy chairman of the Surinamese National Assembly, (Ottman Rogers), and politician Rufus Nooitmeer have had talks with guerrilla leader Ronnie Brunswijk. Mr (Rogers) described the talks, held under the auspices of the Christian Churches, as enlightening. Last year members of the National Assembly visited refugee camps in French Guiana.

Recently, it was revealed that Suriname's President Shankar and Army Commander Desi Bouterse also had contact with Ronnie Brunswijk with a view to holding peace talks.

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